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## NEW ZEALAND'S TRADE WITH CANADA IN 1942

C. B. BIRKETT, ACTING TRADE COMMISSIONER

(One New Zealand pound equals \$3.60 Canadian)

Auckland, April 16, 1943.—Prior to the overrunning of Eastern Asia and the East Indies by the Japanese, it appeared that the value of imports from Canada into this market during 1942 would remain at approximately the same level as in 1941 (£3,082,000), provided conditions were favourable. The slump in Canadian shipments to New Zealand may be attributed for the most part to tightened export control in Canada, scarcity of shipping space, increased import control in New Zealand affecting one or two items, and the priority of shipment accorded war equipment, materials and men from United States ports, whence an appreciable quantity of Canadian merchandise is ordinarily shipped. New Zealand's exports to Canada rose in value by 28 per cent, almost entirely as a result of increased shipments of wool; respective values in 1942 and 1941 were £3,616,226 and £2,824,168. Imports from Canada into New Zealand in 1942 were valued at £1,994,993 as compared with £3,071,692 in 1941.

Thus New Zealand's unfavourable balance of trade with Canada in 1941 of £247,524 became a favourable one in 1942 amounting to £1,621,233. This is the first time in recent years that New Zealand exports to Canada have exceeded in value her imports from that source.

Had it not been for increases in exports of calfskins, sheepskins, and wool, exports to Canada in 1942 would have shown an appreciable reduction in value. For example, only 151 cwt. of butter was shipped in 1942 as against 41,253 cwt. in 1941, the values being £1,053 and £34,559 respectively. Exports of gelatine

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fell from £14,000 to £656; lamb and mutton, from £47,113 to £17,275; sausage casings, from £276,971 to £177,794; cattle hides, from £104,839 to £48,827; and tallow, from £107,780 to £9,759. The shortage of shipping space direct to Canadian ports, particularly those on the east coast, was no doubt a factor in these reductions, plus the priority given to wool shipments, which further increased in value from £1,808,603 in 1941 to £2,909,330.

Comparative values and quantities of exports to Canada in 1941 and 1942 are as follows:—

*New Zealand's Exports to Canada*

	1942		1941	
	Quantity Cwt.	Value £	Quantity Cwt.	Value £
Butter . . . . .	151	1,053	4,953	34,559
Casein . . . . .			6,560	17,222
Cheese . . . . .			1,117	4,675
Beef, frozen . . . . .	7,612	16,318	10,804	20,718
Lamb and mutton, frozen . . . . .	8,005	17,275	16,042	47,113
Veal, frozen . . . . .			868	2,076
Onions . . . . .			847	460
Grass and clover seeds . . . . .	1,614	10,270	3,018	21,207
Manures, other kinds . . . . .			5,895	4,363
	Lbs.		Lbs.	
Gelatine . . . . .	8,400	656	196,000	14,000
Meat extract . . . . .			11,200	2,147
Sausage casings . . . . .	852,859	177,794	1,566,008	276,971
Rabbitskins . . . . .	123,769	62,339	120,438	81,245
Sheepskins with wool . . . . .	3,600,830	218,431	3,472,929	169,627
Sheepskins without wool . . . . .	150,000	9,763	120,268	6,167
Wool—				
Greasy . . . . .	44,223,447	2,316,754	19,694,547	1,059,360
Scoured . . . . .	3,651,411	281,521	5,402,460	409,459
Slips . . . . .	4,301,676	311,055	4,681,673	339,784
	No.		No.	
Calfskins . . . . .	135,711	64,610	145,721	55,327
Cattle hides . . . . .	36,396	48,827	68,547	104,839
	Centals		Centals	
Peas, unprepared . . . . .	672	601	2,262	4,001
	Tons		Tons	
Phormium tenax (flax) . . . . .			52	1,039
Tallow . . . . .	523	9,759	5,364	107,780
Kauri gum . . . . .	306	14,893	379	16,978
Food for animals . . . . .		3,333		3,373
Infants' and invalids' foods . . . . .		125		183
Printed books . . . . .				175
Miscellaneous . . . . .		224		5,436
Parcels post . . . . .		1,377		3,090
Re-exports . . . . .				446
Other items . . . . .		49,248		10,348
Total . . . . .		£3,616,226		£2,824,168

Wool shipments have been on a large scale. During the present season, ending June 30, 1943, it is expected that about 80,000 bales will be shipped to Canada and that releases for f.o.b. sales will be around 100,000 bales. This compares with proposed shipments of 360,000 bales to the United States and 100,000 bales released for f.o.b. sales.

Producers of sausage casings expect that the 1943 production will be on a par with last year's and that exports to the United States and Canada will continue at the 1942 level, which showed a substantial increase over that for 1941.

The exportable surplus of tallow, estimated at 30,000 tons, for the current season has been sold to the United Kingdom Ministry of Food, but quantities will be released for shipment to the United States and Canada. The volume to be released is not known, but it is likely that it will exceed that of last year.

The shipment of meat to Canada is dependent on the availability of refrigerated space and, in view of the tight position in this respect and the dependence on United States ships, already heavily taxed, there is no early

prospect of an increase in quantity. This applies also in respect of butter and cheese. The United Kingdom has contracted to take as much butter as can be produced; and, with a reduction in output of cheese, there will be little for Canada, even if space is available.

### IMPORTS FROM CANADA

Imports from Canada, as mentioned previously, were reduced in value by 35 per cent. More than ever they were confined to items of an essential nature such as raw materials, semi-manufactured goods, tools and machinery, paper, metals, hardware, etc. There were noteworthy increases in imports of piece-goods, electric motors, wireless apparatus, rough sawn spruce, printing papers, and sulphate of ammonia. Prominent among the items showing reductions were: pulp, rubber products, metals and cordage of metal, pipes and tubing, wire and fencing, leather belting, Douglas fir, machinery and parts, newsprint, cardboard and wallboard, and cream of tartar substitutes. Values of the leading imports in the past three years are shown in the following table:—

#### *Principal Imports from Canada into New Zealand*

	1942	1941	1940
Fish, tinned . . . . .	£ 6,055	£ 15,810	£ 66,074
Maizena and cornflour . . . . .	11,252	21,896	30,063
Wood-pulp and paper-pulp . . . . .	.....	50,426	21,010
Hats, caps and millinery . . . . .	10,106	22,981	39,955
Gumboots . . . . .	10,434	90,851	60,385
Cotton and linen, woven . . . . .	32,159	33,260	12,758
Silk and artificial silk piece-goods . . . . .	30,269	22,670	56,908
Bolts and nuts . . . . .	12,971	15,718	5,571
Copper plate and sheet . . . . .	17,571	41,341	48,080
Cordage of metal . . . . .	10,094	62,180	1,630
Pins and needles . . . . .	12,205	11,749	6,096
Copper tubing . . . . .	8,962	37,640	30,669
Artificers' tools . . . . .	50,967	47,004	49,979
Wire fencing . . . . .	.....	24,872	80,544
Iron wire, other than fencing . . . . .	7,800	186,237	249,319
Agricultural machinery . . . . .	18,741	45,269	39,036
Calculating machines and cash registers . . . . .	1,211	11,926	23,748
Electric motors and parts . . . . .	29,435	16,193	44,606
Electric apparatus . . . . .	69,602	99,696	51,694
Spark plugs for oil engines . . . . .	5,309	27,602	29,370
Insulators and fittings . . . . .	4,605	14,856	26,150
Rubber belts and belting . . . . .	13,364	38,066	42,476
Rubber hose, tubing and piping . . . . .	7,815	12,569	6,479
Douglas fir, rough sawn . . . . .	17,542	24,193	23,800
Spruce and other timbers . . . . .	26,762	1,719	7,118
Veneers and plywood . . . . .	11,367	17,406	17,616
Cardboard and wallboard . . . . .	9,409	57,275	35,858
Paperhangings . . . . .	10,757	7,530	7,183
Newsprint . . . . .	40,944	202,395	35,858
Printing paper . . . . .	60,032	48,524	29,856
Vegetable parchment . . . . .	11,695	33,272	3,268
Wrapping paper . . . . .	2,709	29,935	34,379
Paper, other kinds, in large sizes . . . . .	10,619	15,997	24,397
Surgeons', etc., appliances . . . . .	14,506	27,526	10,816
Calcium carbide . . . . .	13,624	19,381	26,193
Cream of tartar substitutes . . . . .	28,570	54,030	.....
Disinfectants and weed-killers . . . . .	.....	10,469	7,198
Sulphate of ammonia . . . . .	24,624	2,750	9,569

### FUTURE PROSPECTS

Provided the situation in this theatre of war remains substantially unchanged, the commodities imported from Canada in 1943 should conform closely to those listed for 1942. Owing to the development of local manufacture, imports of wallboard, hard and soft, will likely be again reduced in volume, and for obvious reasons shipments of rubber products will also decline further, if they do not cease altogether. A shortage of paper and a carryover of orders from 1942 are



indicative of increased arrivals of newsprint, paperhangings, and other types, but, as in the case of all items that are obtainable, availability of shipping is the controlling factor. There has been a slight improvement in this respect since September, 1942, but, until more space is allotted, Canadian shipments to this market will not show much increase if any.

Canadian exporters interested in the New Zealand market, particularly those whose products are prohibited entry or are seriously restricted, would do well to examine their trading positions and take the necessary action to maintain their interests and be ready to take advantage of opportunities when the war ends. While trading at present is difficult and is under the direction of the Government, peace is bound to bring at least some relaxation of controls, with the promise of more during the reconstruction period. The extent to which the protection accorded the host of local industries since 1939 will continue is of course problematical, but it is certain that all such industries will not survive. Those most likely to receive favourable consideration are the ones that obtain their raw materials from local sources, such as the wallboard, cardboard, woollen, footwear, furniture, and packaged foods industries. The position of many others, which for the most part operate in a small way, making toys, fancy goods, tinware, electric appliances, radios, etc., is not so secure, and will no doubt be affected by any international or world trade agreement that may be arrived at.

In reviewing the prospects of Canadian trade in the New Zealand market after the war, due regard must be had for the position of the United States, which currently is of greater importance than it was in 1939.

## ECONOMIC CONDITIONS IN THE NORTH OF ENGLAND IN 1942

A. E. BRYAN, CANADIAN TRADE COMMISSIONER

### II

#### PRICE CONTROL

The prices of nearly all the important foods were controlled in the United Kingdom by the beginning of 1942, but during the course of the year the following items were added to the list: biscuits, cakes and flour, confectionery, sweets and chocolates, cucumbers, rhubarb, pears, coffee essence, meat products and cooked meats, fish cakes, and most varieties of game.

Moreover a maximum price of 5s. for a meal in restaurants was imposed, although certain high-class establishments were permitted to make an additional house charge, which incidentally brought the prices of meals in certain restaurants up to almost the same level as they were previously.

#### RATIONING

The increased concern with respect to the shipping position as well as transport and manpower, brought about further extensions of rationing in 1942 as well as stricter control over food manufacture and distribution. "Points" rationing was extended, and confectionery and soap were rationed separately. Concentration was applied to more manufacturers of food products in order to release factory space and labour for more essential purposes. Each manufacturer or distributor of similar products was allowed to sell in one area only in order to economize on transport. Sometimes this zoning was arranged by the trades themselves, and in other instances it was imposed by the Ministry concerned.

On February 9 soap rationing was introduced, each person being allowed four coupons for each four-weekly period. Each coupon is good for three ounces of toilet soap, four ounces of household soap, three ounces of soap flakes or

six to twelve ounces of washing powder, depending on the soap content. Up to the end of the year the saving in soap consumption was said to be 20 per cent.

In July, chocolates and other candies were rationed on a separate "points" basis. The ration began at eight points, or half a pound of candy, for each four-weekly period. It was raised in August to one pound and then lowered again to twelve ounces about the middle of October. These candies can be bought at any shop, as no registration is necessary. Each person has his own ration card from which the coupons are cut out. In the case of soap, however, the coupons need only be marked off.

There were also some additions to the points rationing system during the year. On January 26 whole rice, sago, tapioca, dried peas and beans, lentils, and dried fruits were placed on a points basis. On February 23 canned fruits, tomatoes and beans were included, while on April 6 condensed milk, prepared breakfast foods and cereals were added. On July 26 syrup and treacle were transferred from the preserves ration, and from August 23 points were required for biscuits. Changes in the points value of the various foods were made from time to time.

On January 12 the fats ration reverted to eight ounces a week. Tea coupons were required from April 6 (2 ounces a week) and on July 26 the ration was withdrawn for children under five years of age. Between April 6 and August 22, one pound of sugar could be bought in lieu of the one-pound ration of jam, and an extra half pound was allowed during the two weeks July 27 to August 10.

National powdered milk was available during the winter months to supplement the reduced supplies of fresh milk. Ordinary consumers received an average of twenty-nine eggs during the year and, in order to obtain chicken feed or balancer meal for chickens, the domestic poultry-keeper, as from July 27, had to surrender the egg registration page from his ration book, the ration providing sufficient food over the period for one hen.

At the end of June dried eggs were put on sale in the stores, and an amount corresponding to one dozen fresh eggs was allowed over a period of two months. Towards the end of the year a secondary grade of egg powder was available for cooking purposes and was sold without restriction.

White bread disappeared on March 23, when the use of national flour containing a "take-off" of 85 per cent extraction was made compulsory. Bread has never been rationed, but a campaign was instituted to induce the public to eat more potatoes and less bread, with the result that the consumption of potatoes showed an increase of 18 per cent in January of this year as compared with the same month in 1942.

Weekly rationed food allowances at the end of the year were as follows: sugar, 12 ounces; bacon, 4 ounces; butter, 2 ounces; margarine, 4 ounces; cooking fat, 2 ounces; meat 1s. 2d. worth; tea, 2 ounces; cheese, 8 ounces; milk, 2 pints. The points system allowed for twenty points to each consumer over a period of four weeks.

#### POST-WAR RECONSTRUCTION

Considerable study is now being devoted to meeting conditions that will obtain at the conclusion of the war and particularly to preparations for post-war trade. In this connection it is appropriate that reference be made to the recent recommendation of the Associated British Chambers of Commerce to the British Board of Trade. The Association of British Chambers of Commerce are desirous that consideration be given its views covering a wider field of the nation's industry and commerce when decisions are being made affecting post-war trading conditions, and the subjects selected for discussion at the conference with the Board of Trade are of considerable interest, indicating as they do the general attitude of British business circles at the present time.



## FINANCIAL POLICY

The Association recommends the establishment of a sound financial policy to serve the needs of those engaged in production and distribution. In its report it outlines general principles of a policy for domestic and export trade, and expresses concern as to what has been done to provide the financial structure and machinery within which these principles can operate.

## AGRICULTURE

The Association also considers that it is desirable that an early pronouncement be made with regard to the future of agriculture, particularly in respect of the Scott report on land utilization. It is considered possible that, since the United Kingdom no longer occupies the credit position it formerly held and by virtue of which it was enabled to obtain so much of its imported foodstuffs in payment for loans and interest, that it shall have no option but to grow as much produce for domestic consumption as is physically possible, in order that exports may be utilized to pay for raw materials essential for industry. The export policy of the country is, therefore, to some extent dependent upon the nation's agricultural policy.

## CONTROL

The Association suggests a practical scheme of operation for the short-term policy of control of industry and trade, as follows:—

"Each industry should be responsible for the planning of its own policy, and, to ensure that the policy of each industry fits into the post-war scheme of reconstruction as a whole, it should be agreed upon by a Council consisting of representatives of industry, commerce and labour, to be approved by the Board of Trade and to be known as the Council of Industry. The work of this Council would ensure co-operation between the Government and private enterprise, in order that trade and industry might be carried on for the benefit of the community as a whole. The guidance thus given by the Council of Industry would enable the Government of the day, with the approval of Parliament, to give general directions as to the policy to be followed."

In the view of the Association this is the only method by which producers, labour and consumers can be truly represented and their individual interests cared for. Any scheme of reconstruction that fails to take account of the basic needs for future trade and industry to be carried on for the benefit of the nation as a whole is doomed to failure. For this reason the Association deprecates any suggestions that the authority of Parliament, as the guardian of the interests of the community, be impaired. With the suggested Council of Industry is linked the Export and Import Council, in order that control of exports and imports that may be essential in the early stages of the post-war period may be effective and benefit the whole nation.

The Association suggests that steps should be taken early to ensure co-operation between the British Empire, the United States, Russia and other allied countries. If and when consultations do take place between the nations, the Association wishes to be assured that practical business men will be included in the British delegation.

## DECIMAL CURRENCY

While there are about forty different national monetary units of widely divergent values, it is noteworthy that all foreign currencies have one feature in common: their national units are all based on the decimal system. The merits of this system are thus widely recognized, and the retention of the present mixed system places British traders at a disadvantage and involves a waste of time and labour that can no longer be justified.

The Association submits that a system of currency should be established that is at least as convenient as those employed by their foreign competitors.



Furthermore, the decimalization of their currency would serve as an indication that the authorities are aware of the necessity for giving every assistance to facilitate the restoration and expansion of British export trade. If the Government should decide to set up a committee of inquiry, the Association suggests that, in view of the accumulated experience of so many other countries, the committee should accept the view that a decimal system of currency is desirable and that they should accordingly direct their attention to the selection of the best ways and means of securing the desired decimalization of British currency.

#### DEMOBILIZATION AND HOUSING

The Association suggests that a commission be appointed to examine the questions of demobilization and housing and, if necessary, that representatives of industry and commerce should be included among its members. The Association believes, that in the early stages the difficulty to be met will not be so much that of providing employment for demobilized men and women as the grave risk of inflation to which their absorption into industry and the consequent increased purchasing power will give rise. For this reason the Association suggests that the Council of Industry which they recommend should plan ahead so that release of raw materials for consumer goods industries will be possible, to be accompanied by a degree of priority for demobilization of men and women in such industries.

The Association recommends this step for an additional reason. The purchasing power of the public has been so restricted during the war period, that a continuation to the same extent may give rise to social discontent. It will be essential too at this stage to provide for price control both in necessary and less necessary consumer goods in order to avoid serious price distortion. This price control should continue until such time as the consumer goods available are in approximate equilibrium with the purchasing power of the public.

Lastly the Association regards the provision of housing at reasonable prices a prime necessity of the early post-war period and urges that effective steps be taken to check profiteering.

#### OVERSEAS AIRWAYS

The Association has made representations to the appropriate government departments concerning the need for an adequate merchant fleet of the air. While it is appreciated that this nation has concentrated its productive activities on fighting airplanes, leaving the output of transport planes to the United States, assurances are requested that Britain's post-war position in air transport shall not be jeopardized thereby. As industry and commerce are so keenly aware that trade follows lines of communication, the Association considers that more specific information with respect to the future of overseas air communications should be forthcoming without delay.

#### TRAINING FOR OVERSEAS' TRADE

The Association welcomed the proposals for the reform of the foreign service presented to Parliament recently, which embodied the abolition of the distinction between the Foreign Office and the Diplomatic Service, the Commercial Diplomatic Service and the Consular Service, and provided for the amalgamation of these three branches in the new Foreign Service. The decision to widen the field of recruitment to the Service and to institute a system of vocational training for suitable candidates was also welcomed by the Association, which emphasized the need for the adequate training of recruits for commercial work. In this connection the Liverpool Chamber of Commerce suggests that stress be laid on the need for a more comprehensive

commercial training for candidates than that already proposed. They feel that the principle should be recognized and accepted that any candidates with commercial experience up to the age of thirty should be eligible for appointment to commercial posts in the Service and that this should be a regular and not an exceptional practice in the selection of candidates under the new arrangements.

## CIVIL AVIATION IN INDIA

PAUL SYKES, CANADIAN TRADE COMMISSIONER

Bombay, May 15, 1943.—Although the development of civil aviation in India has been less spectacular than in various other countries, the topic is still one of keen and general interest. The great distances separating India's principal ports and centres of population are comparable with those in Canada and the United States and call for speedier means of transport than have yet been available in any great degree. India's strategic position on the air route from Europe to Malaya and Australia has had a stimulating influence on the development of purely internal services. The establishment also of an aircraft industry and the recent construction of numerous military airfields, as well as the recruitment of many Indians into the I.A.F., will undoubtedly contribute to an improvement and expansion in domestic air services once the necessary personnel and equipment become available after the war.

### EARLY DEVELOPMENT

The first air service to operate in India was established in 1920. It was more in the nature of an experiment than an attempt to develop this means of transport as a permanent commercial undertaking, the initial steps in the enterprise having been largely in the hands of the Indian Government, equipment and personnel having been supplied by the Royal Air Force. The service operated between Karachi and Bombay for a short time only. Its discontinuance was due to lack of demand and the decision that at the time the relationship between operating costs and revenue was such that it did not warrant further development as a purely commercial undertaking.

For some years afterwards the Indian Government declined to interest itself in various projects of this type on the grounds that civil air services could only operate with the aid of subsidies and that the payment of such subsidies was not warranted by conditions prevailing at that time. Public opinion was being influenced, however, both by the information concerning air transport facilities in other countries and the extension of international air routes to and beyond India by British, French, and Dutch interests. It was not until 1929 that any new steps were taken to improve the situation. From that year onward various arrangements were made by the Indian Government with Imperial Airways and some local interests providing for the extension of the United Kingdom-Karachi service to New Delhi and later for the establishment of an interlocking service between Karachi and Calcutta, which, however, was in operation for a short time only. In 1933 these latter arrangements were revived and expanded to provide for an extension of the United Kingdom-Karachi service to Singapore, where it connected with the Australian Qantas service. This scheme was based on the formation of a new company in which Imperial Airways held a majority of the stock and Indian National Airways and the Indian Government the remainder.

Indian National Airways, a purely local concern, meanwhile attempted to develop several local feeder services, and for a time operated between Calcutta and Rangoon, Calcutta and Dacca, and Lahore and Karachi. The two former services continued in operation for a short time only. A further development



was the establishment of a service between Karachi, Bombay and Madras by Tata Sons Ltd.

The progress in air transport in India, referred to above, covers the period 1920-33. The situation at the close of this period represented comparatively small progress. India had, however, been linked up with Europe and Australia and had gained some experience in the operation of internal air lines between several of her larger cities, connecting with the international lines at Karachi.

#### RECENT DEVELOPMENT

The inauguration of the Empire air mail scheme in 1936 brought about a considerable improvement in air transport facilities in India. The former twice-weekly service from Calcutta to Karachi was increased to four and later to five services per week. Simultaneously the Karachi-Bombay-Madras service was extended to Colombo and, with the Lahore-Karachi service, was increased from two to four weekly services. British Airways' services across India were subsequently largely discontinued, while domestic airlines have reverted to a more restricted schedule than was in force just prior to the war.

At the same time these changes were in progress, Tata Air Lines opened a service between Bombay and Delhi, calling at Indore, Bhopal, and Gwalior. This service only operates between October and May. The same firm also developed a service southward from Bombay to Trivandrum and Trichinopoly, where it connects with the main service from Bombay to Colombo.

Air Services of India Ltd. maintained a service for some time from Bombay northward to the Kathiawar states. This was discontinued in 1940.

Indian National Airways, referred to above, continue to operate regular services between Karachi, Lahore, and Delhi, as well as between Karachi and Calcutta.

The most recent development in air communications involving India has been the establishment of a service between Calcutta and Chungking, operated by the Chinese National Airways Corporation. Planes now operate several days a week between the two cities, with a number of intermediate stops.

#### OUTLOOK FOR NEW DEVELOPMENT

The fact that the foregoing are the only air routes in operation in India at present illustrates not only the very gradual growth in this method of transport but points also to likely developments after the war. It will be desirable at such time that existing services be operated on more frequent and faster schedules, that new routes be established to link Calcutta, for example, with Bombay and Madras, and that numerous large cities in central India be connected with the main routes by feeder services.

The Indian Government has on several past occasions indicated its interest in encouraging justifiable expansion in internal air services, a problem that will no doubt be closely allied with the inevitable post-war changes in the general scheme of India's state-owned railways. At such time the availability of highly qualified air and ground personnel at present serving in the Indian Air Forces will be most valuable. It is obvious too that India's expanding aircraft industry will provide a ready source of supply for equipment designed to meet particularly local requirements.

#### FLYING CLUBS

Coincident with the early development of commercial flying in India, there was considerable amateur flying, encouraged and facilitated by flying clubs in all the larger cities. With the initial establishment, in 1927 of the Aero Club of India and Burma as a central organization designed to publicize and otherwise encourage amateur aviation in the two countries and following the agree-

ment of the Indian Government to subsidize active flying clubs, there was a rapid growth in these organizations and the movement was in a thriving condition prior to the war. At that time seven clubs were receiving government aid in the form of aircraft, engines, and cash advances for the construction and maintenance of hangars and airfields and for other essential purposes.

Efforts have also been made, although with little success to date, to encourage gliding as a recreation and an inducement to amateurs to take up flying as a sport or profession. An Indian Gliding Association was formed in 1931 but has been inactive during most of the intervening years.

### GOVERNMENT AID

As already noted, the Indian Government has made various contributions towards the development of commercial air services and amateur flying. In addition to contracts for the carriage of mail, subsidies have been paid and planes and equipment supplied to amateur flying clubs, supplemented by bonuses for pilots trained by them. Scholarships have also been paid to a number of pilots in order to enable them to complete advanced training with a view to service with the Royal or Indian Air Forces or commercial air lines. Support has also been accorded to training centres, operated by commercial organizations, for wireless operators and ground staff. Such aid is quite apart from that provided through various government departments in the form of flying fields and equipment, wireless D.F. services, aeronautical maps, and weather reports.

The Directorate of Civil Aviation, a branch of the Department of War Transport, is in charge of all matters pertaining to commercial and amateur flying in India. It supervises the operations of air lines and flying clubs, inspects aircraft and airfields, examines and licenses crews and ground staff, and maintains general authority over all aspects of aviation throughout the country.

## CONDITIONS IN ARGENTINA IN 1942

J. A. STRONG, CANADIAN COMMERCIAL ATTACHÉ

### III. Exchange Position

#### BALANCE OF INTERNATIONAL PAYMENTS

The Argentine Government holds large reserves of gold and foreign exchange that have been added to from the accumulated surpluses in her external payment accounts each year, except 1940, since before the outbreak of war. This surplus amounts to more than the value of two years' normal imports of merchandise into this country and is equal to the amount paid abroad for all the financial services, both public and private, over the past six years. The existence of this large surplus is mainly due to the steadily increasing value of Argentine exports particularly meats, combined with the inability of Argentina to obtain all her needed imports from abroad now and the heavy influx of foreign capital, some of which is merely seeking a temporary refuge in Argentina. The new Argentine Government merchant fleet contributed nearly U.S.\$33,000,000 in freights to the accounts. This country will therefore be in a strong enough financial position to meet any anticipated future fluctuations resulting from external factors. The repercussions of this reserve fund on the internal monetary system have been referred to elsewhere in this report.

Argentina is consequently no longer faced with the need for budgeting her available foreign exchange resources in order to enable her to pay for needed imports of merchandise. There are no longer any restrictions against imports, except those dictated by the necessity of budgeting the limited amount of shipping space available to bring the merchandise from North America. Non-



essential goods are no longer manufactured for export in the principal supplying countries, so that Argentina returns of necessity to a situation where only essential goods available from abroad are imported as was the case when exchange was in short supply in the 1930's.

Following is a summary of Argentine's balance of payments for each of the years 1939 to 1942:—

*Argentina's Balance of Payments*

	1939	1940	1941	1942
	Millions of Dollars			
Exports of merchandise . . . . .	524.3	479.7	511.0	566.3
Imports of merchandise . . . . .	407.7	424.0	362.0	357.7
Trade surplus . . . . .	116.6	55.7	149.0	208.6
Net capital influx . . . . .	22.0	26.3	108.3	78.4
Government investments . . . . .	....	5.3	....	....
Merchant-ship earnings and port exp. . . . .	11.0	11.7	18.3	37.0
Sundry . . . . .	14.0	13.7	30.0	23.0
Sub-total . . . . .	163.6	112.7	305.6	347.0
Public debt services . . . . .	47.3	51.0	46.0	51.0
Private financial services . . . . .	96.3	74.0	89.0	109.0
Government expenditures . . . . .	16.7	7.3	5.0	8.0
Sub-total—Balance . . . . .	3.3	— 19.6	165.6	179.0
Repatriation of public debt . . . . .	....	— 10.7	— 7.0	— 34.3
Repatriation of private debt . . . . .	....	....	....	— 10.7
Adjustment of commercial debt . . . . .	51.7	9.3	1.7	31.7
Net private gold . . . . .	— 2.0	— 0.7	0.3	— 1.3
Net balance . . . . .	53.0	— 21.7	160.0	164.4

STERLING POSITION OF ARGENTINA

In 1942 the United Kingdom was able to supply Argentina with goods to a value only 23 per cent less than that for the pre-war years. The principal items imported therefrom in reduced volume were the higher qualities of textile piece-goods; chemicals, including caustic soda; animal dips; porcelain; bath tiles; whisky and coal.

Argentina shipped meats and other farm products to the value of £50.9 million to the British Empire in 1942. This figure represented an increase of 20 per cent from the pre-war level. In payment for these agricultural exports Argentina received only 40 per cent of their value in British goods, including £4.7 million in jute from India and a quantity of petroleum from Curacao, that was paid for by arrangement in sterling, as compared with 67 per cent in goods in 1940. The earnings of private British firms with capital invested in Argentina, such as the British-owned railways, paid for £12.7 million of these exports, and the interest due on British holdings of the Argentine public debt purchased another £4.6 million worth.

Argentina had accumulated £21.8 million in blocked sterling to the end of 1942, of which £2.4 million is held by the commercial banks and £19.4 million by the Argentine Government. Some £15.4 million of this blocked sterling balance was accumulated in 1942 alone, despite the repatriation of £1.7 million of public and private securities. This blocked sterling is guaranteed by the British Government under a gold clause. The Argentine bond market is not considered officially to have the excess capacity at present to absorb the additional peso securities that would have to be issued if sterling investments were being repatriated at a more rapid rate.

## FREE CURRENCY POSITION

In 1942 there was a net surplus of \$113.3 million in the Argentine payments position with free currency countries, including the United States. The excess of Argentine exports over imports of merchandise was \$93 million, and the net inflow of capital into Argentina in free currencies, mostly United States dollars, was \$115.7 million. In addition the earnings in United States dollars of the new Argentine Government merchant ships represented 50 per cent of their actual purchase price from Italy and Denmark in 1941. Argentina converts her dollar reserves to gold in New York.

This country no longer needs to borrow United States dollars to meet current requirements, as was the case in 1940 when credits aggregating \$110 million were negotiated with the Import-Export Bank in Washington. The foreign exchange position eased late in 1940 for Argentina, due to rising export values combined with the increasing difficulty in finding goods to buy abroad. The dollar credits were not approved by Congress in Argentina and were cancelled subsequently by Washington.

The problem recently confronting Argentina has been the existence of this large surplus of gold and foreign exchange, which represents a potential threat to her internal monetary position, and official regulations have been issued (April 20, 1943) designed to control the influx of new capital unless for investment in legitimate and approved local enterprises. The new control extends to the purchase locally of Argentine bonds on behalf of clients resident abroad.

## FOREIGN EXCHANGE RATES

The official rates for foreign exchange transactions were not altered during 1942. The official buying rates have not been changed since 1939. The rates in effect for United States dollars and sterling are as follows:—

*Official Argentine Exchange Rates*

	£ Stg. Pesos	U.S.\$ Pesos
Buying rates—		
Regular exports (fixed) . . . . .	13.50	3.3582
Non-regular exports (fixed) . . . . .	....	3.9702
Financial transactions . . . . .	15.96	4.01†
Selling rates—		
Public debt services . . . . .	13.50	3.3582
British railway earnings* . . . . .	16.00	....
Private financial services (variable)* . . . . .	16.12	4.01
Merchandise imports—		
First essentials . . . . .	15.00	3.7313
Second essentials . . . . .	17.00	4.2289
Trade promotion corporation—		
Agricultural machinery parts . . . . .	....	4.2289
Trucks and buses . . . . .	....	4.2289
Automotive parts . . . . .	....	4.2289
Agricultural machinery . . . . .	....	4.55
Passenger automobiles . . . . .	....	4.85
Certain other imports (auction) . . . . .	....	4.945
Free or variable rate . . . . .	....	4.01†

\* This fixed rate was abolished on January 1, 1943.

† Approximately.

The Trade Promotion Corporation was created in 1941 for the purpose of stimulating export trade, particularly with the dollar area. The foreign exchange derived from a specific list of "non-regular" exports is credited to the Trade Promotion Corporation at a fixed rate of 4.2182\*. This rate represents a subsidy to the producers of these products. The funds deriving from these exports are earmarked for the purchase, as indicated above, of automotive products and farm implements. Actually it has been impossible to purchase the latter, except

\* Changed to 3.9702 on April 20, 1943.



repair parts, so that only 6 per cent of all Argentine imports came through the corporation in 1942. Some 55 per cent of all imports of merchandise were paid for at the rates for first essentials and 37 per cent at the rates for second essentials. Only 2 per cent were obtained at the auction rates—now really a fixed rate.

#### SPECIAL CLEARING AGREEMENTS

##### BRAZIL

The Argentine Government signed a new agreement with Brazil in 1941. Exports to Brazil comprise wheat, which accounts for 75 per cent of the total, or about 30 to 35 million bushels annually, fresh pears, apples, peaches, wool, cement, and sundries. In return Argentina has bought heavily from Brazil, commodities that are much needed now, such as lumber, cotton piece-goods, cotton thread, and some iron and steel and alloys, as well as other commodities such as bananas. Up to the end of 1942, Argentine purchases from Brazil under this agreement had exceeded her sales of wheat and other products thereto by nearly \$30 million. In the past the trade position had always been the reverse for Argentina. The principal clause of the Brazilian-Argentine agreement provides that the surplus resulting from this interchange of goods over and above the equivalent of \$2.5 million can be settled only by means of increased purchases on the part of the creditor nation. Consequently Brazil holds Argentine pesos in Argentina to the amount of the balance due.

##### SPAIN

Under a special agreement with Spain, Argentina is receiving 30,000 tons of round iron bars and is having two cargo steamers constructed in Spain in exchange for approximately 35 million bushels of wheat and 3,500 tons of leaf tobacco. A Spanish trade mission visited Argentina in 1942. The equivalent of some \$30 million was due Argentina from Spain at the close of that year.

##### SWEDEN

Argentina received 32,444 tons of newsprint from Sweden in 1942. In addition Argentine paper mills were able to purchase large stocks of wood-pulp from Sweden. The latter also supplied other paper and paper manufactures, as well as certain steels and steel products and manufactures. Argentina planned to obtain 36,000 tons of newsprint from Sweden in 1943 besides wood-pulp and other products, as last year, but no Swedish steamers have left Swedish ports for South America since the beginning of this year. (Steamship services with Sweden were resumed in May, 1943.) In exchange for these Swedish products, Argentine oilcake, oilseeds and certain grain and animal products were supplied to Sweden in 1942.

### FOREIGN TRADE OF CHILE IN 1941

#### I

M. J. VECHSLER, CANADAIN COMMERCIAL ATTACHÉ

(Values are shown in Chilean pesos of 6d. gold)

Santiago, April 26, 1943.—The total value of Chile's foreign trade in 1941 amounted to 1,306,755,274 Chilean pesos as compared with 1,203,721,385 pesos in 1940. Imports were valued at 525,250,868 pesos as against 507,005,314 pesos in 1940, and exports at 781,504,406 pesos as against 696,716,069 pesos. The favourable balance of trade increased from 189,710,755 pesos in 1940 to 256,253,538 pesos.

## IMPORTS

The following table shows principal Chilean sources of supply in 1940 and 1941, as well as the relative importance of the supplying countries in Chilean import trade for those years:—

*Chilean Imports by Principal Countries*

	1941	1940
	Figures in Chilean Pesos of 6d. Gold	
Totals . . . . .	525,250,868	507,005,314
United States . . . . .	296,436,378	242,537,503
United Kingdom . . . . .	48,220,082	52,629,527
Perú . . . . .	48,019,889	42,791,098
Argentina . . . . .	38,810,296	34,176,405
Japan . . . . .	24,634,797	27,909,503
Brazil . . . . .	17,086,313	10,119,376
Curacao . . . . .	9,809,304	11,182,629
Java . . . . .	7,021,814	4,495,188
India . . . . .	6,894,744	5,172,942
Germany . . . . .	3,922,942	17,863,359
Ecuador . . . . .	3,638,534	3,352,247
Switzerland . . . . .	3,544,496	4,554,505
Spain . . . . .	2,785,687	1,621,579
Canada . . . . .	2,313,356	2,057,225
Sweden . . . . .	2,232,050	6,540,906
Italy . . . . .	1,271,617	20,154,950
Cuba . . . . .	1,143,285	1,175,591
France . . . . .	1,116,053	5,351,375
Netherlands . . . . .	569,997	2,575,288
Belgium . . . . .	465,450	5,657,914

In the Chilean statistical returns imports are divided into three main groups: (1) "Products of Extractive Industries," under which the value of importations in 1941 is shown as 116,638,159 Chilean pesos as compared with 112,659,941 pesos in 1940; (2) "Products of Manufacturing Industries," the imports of which were valued at 408,254,772 pesos as against 393,149,352 pesos; and (3) "Currency and Precious Metals," the total import value of which was 357,937 pesos as against 1,196,021 pesos.

In the following statistical summary, values are shown for the imports of items included under the various general headings, with the corresponding values for 1940 within parentheses:—

## PRODUCTS OF THE EXTRACTIVE INDUSTRIES

*Products of the Mine.*—Metallic minerals in bulk or simply treated and pure metals imports, 5,111,480 pesos (4,537,788 pesos); non-metallic minerals in bulk or simply treated, 1,119,560 pesos (1,041,837 pesos); fuels and combustible minerals, 45,358,004 pesos (45,251,746 pesos).

*Natural Products of the Forests and Waters.*—Total imports, 3,738,648 pesos (2,150,947 pesos); unmanufactured lumber, 838,998 pesos (245,559 pesos); other forest products, 2,899,650 pesos (1,905,388 pesos).

*Products of the Animal Kingdom.*—Total imports, 15,383,509 pesos (20,449,804 pesos); live animals, 12,686,587 pesos (16,634,589 pesos); hunting products, 181,278 pesos (521,256 pesos); products of the fisheries, 325,310 pesos (298,558 pesos); wools and other textiles of animal origin, in bulk, 961,347 pesos (708,241 pesos); hides and skins and other animal parts, in bulk, 917,541 pesos (1,925,085 pesos); and products of aviculture, apiculture and sericulture, 311,446 pesos (362,075 pesos).

*Agricultural Products.*—Total imports, 45,926,958 pesos (39,227,819 pesos; live plants and seeds, 449,833 pesos (419,445 pesos); cereals, 1,607,732 pesos (210,002 pesos); fruits, tubercles and vegetables, 3,475,197 pesos (3,310,144 pesos); alimentary vegetable stimulants, 17,006,540 pesos (13,592,512 pesos); spices, 1,405,627 (760,628 pesos); forage and food for animals, 129,735 pesos (33,249 pesos); textile prime material of vegetable origin, 10,338,425 pesos (7,024,593 pesos); oleaginous prime materials of vegetable origin, in bulk, 10,941,877 pesos (13,433,847 pesos); and tobacco, in bulk, 571,604 pesos (442,420 pesos).



## PRODUCTS OF THE MANUFACTURING INDUSTRIES

Imports under this group, which comprises some 80 per cent of all Chile's imports, were valued at 408,254,772 pesos as compared with 393,149,352 pesos in 1940. Following are the values of imports of various items in 1941, with 1940 values in parentheses:—

*Alimentary Industries.*—Total imports, 20,930,611 pesos (24,788,198 pesos); sugar and its derivatives, 18,278,912 pesos (21,634,165 pesos); meats and hung beef, 165,279 pesos (59,048 pesos); alimentary greases and their derivatives, 75,942 pesos (128,426 pesos); milk, cheese and butter, 335,365 pesos (469,272 pesos); offals, flours and their residues, 740,978 pesos (943,341 pesos); edible oils, 817,650 pesos (632,176 pesos); canned and prepared foodstuffs, 516,485 pesos (921,770 pesos).

*Beverages and Liquors.*—Total imports, 1,430,982 pesos (780,971 pesos); brandies and liquors, 1,306,551 pesos (615,520 pesos); wines, 117,014 pesos (160,805 pesos); mineral waters and other non-alcoholic beverages, 7,407 pesos (3,921).

*Manufactured Tobaccos.*—Total imports, 255,823 pesos (276,616 pesos); cigars and cigarettes, 200,554 pesos (206,096 pesos); prepared tobaccos, 55,269 pesos (70,520 pesos).

*Textile Industries.*—Total imports, 80,516,140 pesos (81,698,342 pesos); threads, 25,457,236 pesos (30,661,402 pesos); rope, 483,544 pesos (400,113 pesos); fabrics, 45,996,231 pesos (44,761,162 pesos); sacks and sacking, 4,569,774 pesos (1,914,104 pesos); notions, etc., 526,392 pesos (575,251 pesos); wearing apparel, 2,799,941 pesos (2,711,565 pesos); household textile goods, 510,546 pesos (512,509 pesos); manufactured textiles, not specified, 172,476 pesos (162,235 pesos).

*Chemical Industries.*—Total imports, 75,805,026 pesos (70,270,798 pesos); chemical products, 13,890,454 pesos (10,774,597 pesos); medicinal drugs, pharmaceuticals, and toilet goods, 5,303,453 pesos (4,595,804 pesos); artificial fertilizers, 218,763 pesos (233,164 pesos); explosives, phosphorus and other pyrotechnic products, 1,712,366 pesos (2,778,973 pesos); bitumens, resins, greases and industrial oils, 30,604,927 pesos (27,814,767 pesos); industrial alcohols, 107,750 pesos (84,171 pesos); paints, varnishes, inks and colourings, 7,488,945 pesos (8,349,670 pesos); soaps and candles, 105,731 pesos (289,547 pesos); other chemical and industrial products, 16,372,637 pesos (15,350,105 pesos).

*Metallurgical Industries.*—Total imports, 58,122,221 pesos (61,184,722 pesos); iron and steel, 21,946,821 pesos (29,787,345 pesos); other laminated metals or forgings and their alloys, 1,031,816 pesos (1,345,575 pesos); metallic materials for various uses, 9,333,150 pesos (9,503,284 pesos); manufactures of iron or steel, 22,223,707 pesos (17,152,627 pesos); and manufactures of other metals, 3,586,727 pesos (3,395,891 pesos).

*Machinery, Implements and Tools.*—Total imports, 70,398,063 pesos (56,587,915 pesos); machinery, apparatus, implements and tools for mining, 3,948,669 pesos (4,490,033 pesos); machinery, apparatus, implements and tools for agriculture, 6,411,500 pesos (3,537,425 pesos); machinery, apparatus, implements and tools, not specified, for industries and trades, 29,200,640 pesos (25,357,312 pesos); motive machinery, boilers and their repair parts, 10,564,728 pesos (9,018,030 pesos); electrical machines, apparatus and material, 20,272,526 pesos (14,185,115 pesos).

*Transport Materials and Articles.*—Total imports, 48,793,716 pesos (52,984,285 pesos); machinery, equipment and materials for railways and tramways, 4,259,733 pesos (20,311,223 pesos); shipping and materials for navigation, 171,491 pesos (268,971 pesos); and vehicles, not specified, and their repair parts, 44,362,492 pesos (32,464,091 pesos).

*Miscellaneous Manufactures.*—Total imports, 52,002,190 pesos (44,577,505 pesos); prepared stones and earths, 3,952,050 pesos (2,123,190 pesos); ceramics, glassware, manufactured stones and earths, 7,029,046 pesos (6,473,179 pesos); manufactured lumber, 260,573 pesos (320,903 pesos); cabinet work and articles of wood or pressed sawdust, 165,438 pesos (192,121 pesos); cork, manufactured and articles of cork, 1,162,927 pesos (1,205,969 pesos); manufactures of gum, rubber, celluloid and similar products, 3,981,310 pesos (3,057,146 pesos); tannery products, furs and their derivatives, 1,013,787 pesos (636,689 pesos); manufactures of horn, bone, and other non-specified animal materials and similar articles, 164,363 pesos (95,844 pesos); paper and cardboard, 7,570,593 pesos (7,127,771 pesos); printings and engravings on paper or cardboard, 1,714,658 pesos (1,619,867 pesos); arms and munitions, 541,094 pesos (957,153 pesos); jewellery, gold or silver twist, watches, 2,806,662 pesos (2,362,349 pesos); articles and instruments for the sciences and arts, and appliances, 17,207,154 pesos (14,437,296 pesos); work and objects of pure art, 10,001 pesos (10,583 pesos); miscellaneous articles and manufactures, 4,422,534 pesos (3,957,445 pesos).

## COINAGE AND PRECIOUS METALS

Total imports under this heading declined from 1,196,021 pesos in 1940 to 357,937 pesos. Items comprising this section were: gold and platinum, unworked, and gold coins, 26,415 pesos (85,049 pesos); silver, unworked, and coins of silver and fractions, 331,522 pesos (1,100,972 pesos).

## TRADING WITH THE ENEMY

### CANADIAN LIST OF SPECIFIED PERSONS

Inquiries received from time to time by the Department of Trade and Commerce indicate that Canadian exporters still do not understand clearly the composition and object of the Canadian List of Specified Persons established under the authority of the Consolidated Regulations Respecting Trading with the Enemy (1939).

The List of Specified Persons is a published list of firms and persons in neutral countries with whom intercourse or transactions of a commercial, financial, or any other nature without official permission constitutes the offence of trading with the enemy.

The List forms an integral part of the machinery designed to prevent enemy countries from obtaining any economic or financial assistance from British Empire or neutral countries. It consists principally of concerns controlled directly or indirectly from enemy territory (including enemy-occupied territory and certain other territories proscribed under the Trading with the Enemy Regulations), and of firms or individuals who have persistently evaded, or tried to evade, the contraband or enemy export controls. Persons controlled from enemy territory are enemies within the meaning of the Trading with the Enemy Regulations, whether or not they are included in the List of Specified Persons.

Additions to the List are made only after careful investigation in order that unnecessary damage to neutral or British Empire interests may be prevented. The Custodian of Enemy Property, Department of the Secretary of State, Ottawa, is always willing to consider representations from importers and exporters and other interested parties and to reply to inquiries on questions, such as the completion of unfinished transactions with persons placed on the List of Specified Persons. The Office of the Custodian is also prepared to advise, in cases where doubt is felt as to the legality or desirability, from the point of view of trading with the enemy, of dealings with persons not on the List of Specified Persons.

Enemy subjects who are not in enemy territory are not necessarily enemies within the meaning of the Trading with the Enemy Regulations, and it is not intended to specify persons in neutral countries as enemies merely because they are enemy subjects. Many subjects of enemy countries carry on business in neutral countries without assisting these countries, and in some cases are of assistance in the promotion of Canadian trade.

Nevertheless, enemy subjects, wherever they may be carrying on business, should be regarded with suspicion, and Canadian traders who employ enemy subjects as agents in neutral countries would be well advised to consider displacing them either by British agents or by nationals of the country concerned. Firms who experience difficulty in obtaining suitable alternative agents should consult the Department of Trade and Commerce, Ottawa, or the appropriate Canadian Government Trade Commissioners.

Copies of the Consolidated List of Specified Persons are obtainable from the Distribution Branch, Government Printing Bureau, Ottawa. The price is 25 cents each for single copies, with a reduction for purchases of 100 copies or more. The list contains the names of more than 9,000 persons, principally in Europe, Latin America, Japan and China. It is subject to revision from time to time, and additions, amendments and deletions which are found necessary are published in the *Canada Gazette*. Canadian firms that have extensive dealings with persons in neutral countries are strongly advised to obtain copies of the consolidated list and at the same time to arrange to receive revisions as published.



## CONTROL OF EXPORTS FROM CANADA

### REGULATIONS AMENDED

By Export Permit Branch Order No. 72, effective July 1, 1943, Regulation 7 is rescinded, and the following is substituted therefor:

7. Export permits shall not be required for shipments of \$25 or less in value to Newfoundland, except for the following commodities or as otherwise provided in the Export Permit Regulations: tea; sugar and glucose; other edible food products; coffee; rubber and rubber products; coconut; tin alloys.

The effect of the foregoing change in Regulation 7 is to reduce the general exemption on exports to Newfoundland, so that it now applies only to shipments of \$25 or less in value. The requirements for the special items mentioned in the regulation remain the same as formerly and are as follows:

For shipments of any value of tea, sugar and glucose, and rubber and rubber products to Newfoundland or any other destination an export permit is required.

For shipments over \$5 in value of coffee, coconut, other edible food products, and tin alloys to Newfoundland or to any other destination an export permit is required.

### ADDITIONS TO LIST OF PRODUCTS AFFECTED

By Order in Council P.C. 5100, effective June 28, 1943, the following commodities are added to the list of products, included in Group 4 (Wood, Wood Products and Paper), the exportation of which is prohibited except under permit from the Export Permit Branch, Department of Trade and Commerce, Ottawa: Hardwoods, n.o.p. (logs, sawed or hewn timber, boards, planks and scantlings); fence posts; railway ties; box shooks; laths.

## TARIFF CHANGES AND TRADE REGULATIONS

### St. Pierre and Miquelon

#### SHIPPING DOCUMENTS

Mr. D. E. ff. Jemmett, Acting Consul for Canada in St. Pierre and Miquelon, reports that exports from Canada destined for St. Pierre should be accompanied by two copies of the commercial invoice, indicating the net cost of the goods covered. There are no requirements as to language. A certificate of origin is not required, and consular legalization is not necessary. If goods are embarked in Halifax for St. Pierre, the agent of the St. Pierre Administration signs the vessel's manifest, which is accepted as consular legalization. In the case of goods coming forward from Sydney or any other Canadian port except Halifax, the St. Pierre importer pays 25 centimes (0.625 cents) per ton in lieu of consular legalization.

### Bolivia

#### DUTY REDUCED ON FURNITURE AND ASBESTOS-CEMENT ROOFING

Mr. M. J. Vechsler, Canadian Commercial Attaché at Santiago, Chile, writes that a Bolivian decree of December 29, 1942, reduced the import duty on wooden furniture (except bentwood and cane) from 5 bolivianos per kilogram plus a currency surtax of 950 per cent of the duty (about 62 cents per pound) to 1 boliviano per kilogram plus a currency surtax of 100 per cent of the duty

(about 2½ cents per pound). On other kinds of furniture the customs duties remain unchanged, but the currency surtax has been reduced from 950 per cent on bentwood furniture and 800 per cent on cane and metal furniture to 100 per cent of the duty. By a decree of December 29, 1942, the currency surtax was reduced on asbestos-cement corrugated roofing from 600 per cent to 100 per cent of the duty, the import duty remaining at 0.06 boliviano per kilogram. This is equivalent to a reduction of from 50 cents to 14 cents per 100 pounds.

The currency surtax is levied in Bolivia at varying rates to compensate in part for depreciating the boliviano, which has a par value of 36 cents but is now worth about 2.6 cents.

## Mexico

### HEALTH REGISTRATION REGULATIONS

Mr. C. S. Bissett, Canadian Trade Commissioner at Mexico City, reports that a Mexican decree of March 31, 1943, in force next day, amended regulations governing the registration, revision, certification and advertising of patent medicines, biological and pharmaceutical specialties, medical apparatus, and toilet, hygienic, beauty and similar products. Following is a translation of the amended regulations:—

#### AMENDED REGULATIONS

ARTICLE 2—The products to which these regulations refer shall not be imported manufactured, stored, packed, advertised, sold or supplied to the public, if they have not previously been approved by the Department of Public Health, both when presented for registration and when examined periodically by that Department. This prohibition will also apply to those products whose registration has been cancelled. Laboratories and re-packing houses may have supplies of products which they have imported or manufactured for experimental purposes, but in each case the owners should apply beforehand for authority, giving the names of the preparations and the quantities involved.

ARTICLE 6—In each case where the registration of one of the products to which this regulation refers is cancelled, the Department of Public Health will so advise the interested party or his representative in writing and after fifteen days will publish an announcement in the Official Gazette, warning (1) that as from the date of publication of the notice, the importation and manufacture of the specified article is prohibited; and (2) that six months after that date, in the case of biological products whose expiration date has not become due, or a year in the case of other articles, the conditioning, storing, advertising, selling or supply of the article whose registration has been cancelled is prohibited.

ARTICLE 7—Registered products may not, without previous authority from the Department of Public Health, be modified in any way that will change any of the conditions or requirements fulfilled at the time of the article's registration and upon which the authority for its registration was based, especially as regards name, formula, uses, dosage, method of preparation and directions on labels, advertisements, notices and, in general, in the commercial advertising of the product. In consequence, it is also forbidden to add to the label, the package or in advertising matter illustrations, captions, etc., which have not been authorized, except those which refer to patents or trade marks registered with the Secretariat of National Economy or those which are absolutely necessary in order to comply with laws, regulations and other rulings in force as laid down in Section VIII of Article 24 of this Regulation, as long as they do not come into conflict with the above. Any party contravening this ruling shall be liable to a fine, in accord with Article 38 of this regulation, as well as to the cancellation of the registration of the product, should the gravity of the case merit it.

ARTICLE 13—In order to obtain the registration of the articles to which this regulation refers, it is necessary:

I. To make a typewritten application in duplicate to the Department of Public Health direct, or through the delegates of the Department, or through the Chiefs of the Coordinated Sanitary Services, in which the following should be clearly stated, in the order shown: (a) name of the product; (b) name and address of owner; (c) name and commercial address of the representative, should there be one; (d) name and address of the establishment which produces the article, if it is Mexican, and also the name and address of the establishment which conditions or stores the product in Mexico, if it is a foreign product; (e) name and address of the head of the establishment referred to in (d); (f) quantitative formula of the product, without abbreviations, symbols, chemical formulae or obsolete synonyms. The formula should refer to 100 cc. if the article is a



liquid and to 100 grs. if it is a solid (only in the case of fractions of milligrams should the unit "gamma" be used.) In the case of ampules, bougies, capsules, lozenges, pellets, grains, granules, wafers, ovules, powders, pearls, pills, suppositories, or tablets, the formula shall be expressed in "units". In the case of vial ampules, the formula shall be expressed in ccs. as well as the quantity contained therein.

II. To present, together with the application, an additional typewritten sheet in duplicate, containing the following information about the product: (a) pharmacodynamic action; (b) average doses of the product per dose and per day to be taken by children, adolescents and adults; (c) method of use and channel of administration; (d) data upon conservation; and (e) methods of analysis for identification purposes, should the Department of Public Health consider it necessary.

III. To state on the additional sheet mentioned in Section II the following information regarding each of the substances which constitute the product: (a) pharmacodynamic action, excepting inert excipients; (b) if it is a definite chemical substance, its structural formula, chemical properties, physical constants and toxicity; (c) if it is an indefinite or complex chemical substance, its chemical properties, physical constants and toxicity; (d) if it is a vegetable drug, the botanic classification of the respective plant, place of origin, part used in the making of the drug, analysis, principal or active ingredient (if known), and toxicity.

IV. To present along with the application and additional sheet mentioned above, two provisional samples of the product, in accordance with Articles 24 to 27.

V. To present, as an annex to the foregoing, the voucher in payment of the registration fee.

The above-mentioned application must be signed jointly by the manager or owner of the laboratory or establishment where the product is manufactured, conditioned or stored, and the pharmaceutical chemist in charge.

ARTICLE 14—To apply for the registration of the products especially dealt with in this Article, the foregoing general instructions shall be observed, as well as the additions and modifications for each case, as specified below:—

I. If the product contains dyes, extracts, solutions, suspensions, etc., which are not official, the method of preparation, percentage of principal active ingredient and method of control of each shall be stated.

II. If the product contains an external antiseptic, its phenolic index shall be given.

III. In preparations having something new of a therapeutic character, in the formula, dosage or channel of administration, even though dealt with by an association of well-known medical men, the application for registration shall be accompanied by ten certificates, each signed by two reliable doctors registered with the Department of Public Health whose clinical studies have been made in official or well-known private institutions of recognized reliability.

IV. In the case of insecticides, parasiticides, rat-killers, etc., the efficiency, instructions for using, danger in handling and antidotes shall be specified, but, on the contrary, at the time of application for registration, the additional sheet referred to in Sections II and III of Article 13 need not be presented, although the Department of Public Health may request any information deemed necessary.

V. In the case of homeopathic products, in place of the quantitative formula specified in Article 13, Section I, Subsection (f), the qualitative formula only shall be stated and the additional sheet mentioned in Sections II and III of that Article shall not be presented.

VI. In the case of so-called "hygienic" products, cosmetics, beauty and similar products, the formula referred to in Article 13, Section I, Subsection (f), shall be qualitative only, and it shall not be necessary to present the additional sheet referred to in Sections II and III of said Article, but the Department of Public Health may, at its discretion, require the quantitative formula or other information when the product contains any substance which it considers may be dangerous to use or that requires care in handling.

VII. In order to register opotherapeutic products, serums and vaccines, the special rulings of the "Regulations for the Biological Control of Drugs and Opotherapeutic Products" and the "Regulations for the Verification of Antitoxic and Antimicrobial Serums and Vaccines" respectively should be borne in mind.

VIII. In the case of materials destined for healing purposes, their uses and methods of sterilization should be stated.

IX. In the case of apparatus for medical use, the requirements referred to in Subsection (f) of Section I and of Sections II, III, and IV of Article 13 shall be waived, but, conversely, information on its structure, operation and handling should be given. The Department of Public Health may demand that the interested party present in

duplicate designs, sketches or cuts of the apparatus in question, and may even, if deemed necessary, demand that the apparatus be presented or exhibited to permit study or examination of it, after which the apparatus shall be returned to the interested party.

ARTICLE 24—Provisional samples should have typewritten labels in Spanish, with or without illustrations, on which, excepting what is provided for in the following Articles, shall appear only:—

I. Name of the product, its class and pharmaceutical form.

II. Formula of the product, which should be identical with that on the application form, except for the specifications of the excipient.

III. Dosage instructions should be expressed as follows: "Dosis—la que el medico señale". (Translation: "Dose as prescribed by doctor").

IV. Channel of administration.

V. Name of manufacturer and address of factory or laboratory and postal address.

VI. Name and commercial address of the representative, if the product in question is of foreign manufacture, or the expression "Hecho en México" (Translation: "Made in Mexico") in legible printing, if manufactured within this country.

VII. In case the label contains instructions for the use of the product, these should be in an abstract form.

VIII. Any other information which the respective laws and rulings and standing regulations may require or authorize.

The manufacturers, if they so desire, may enclose in the package containing the provisional sample, an instructive pamphlet which may refer to the name of the product, its composition, abstract indications, dosage, channel of administration and instructions for taking; but it must also contain written matter approved or laid down by the Department of Public Health, as well as the registration number of the product.

As the only exception to that laid down by this Article, the Department of Public Health may allow to appear on the labels of the provisional samples of such products as normally are not required to be sold under medical prescription some concrete instructions and the dosage.

ARTICLE 25—Provisional samples of the products specially considered in this Article shall carry on their label, aside from the requirements laid down in the preceding Article, the inscription provided for each of the following particular cases:—

I. Products which, by nature of their components and their pharmacodynamic action may be dangerous to use, shall bear the inscription "Este medicamento es de empleo delicado". (Translation: "This preparation is to be used with caution").

II. Products which contain toxic substances or others which must be used with care, such as hypnotics and trivalent or pentavalent organic arsenicals, shall bear the following inscription: "Úsese exclusivamente por prescripción y bajo la vigilancia médica. Su venta requiere receta de facultativo con título registrado en el Departamento de Salubridad." (Translation: "To be used exclusively under medical prescription and supervision. The sale of this product requires a medical prescription issued by a physician registered with the Department of Public Health.")

III. Products containing enervating drugs shall bear the following inscription: "Este medicamento esta sujeto para su venta a las disposiciones legales que rigen sobre productos enervantes". (Translation: "The sale of this preparation is subject to the legal regulations governing enervating products".) Those products containing such drugs in the proportions authorized by Decree of January 9, 1925, shall bear instead the inscription in Section II of this Article.

IV. Products destined for the prevention of venereal diseases shall bear the following inscription: "Este medicamento puede prevenir las enfermedades venéreas, pero no las evita siempre. Debe consultarse al médico." (Translation: "This preparation may prevent venereal diseases, but it is not infallible". A physician must be consulted.)

V. Local and general analgesics shall bear the inscription: "Este medicamento se emplea contra el dolor. Es conveniente consultar al médico". (Translation: "This preparation is used to deaden pain. A physician should be consulted.")

VI. Products containing, as active fundamental ingredients, revulsives, emollients or antipruriginous, shall bear the inscription: "Este medicamento se emplea para calmar molestias. Es conveniente consultar al médico". (Translation: "This preparation is used to relieve ailments. A physician should be consulted.")

ARTICLE 28—The final sample must meet all the requisites necessary for its approval and its labels shall contain the inscriptions specified or authorized by such approval, as well as the following phrases: "Reg. Núm. o No.....D.S.P." (Translation: Reg. Num. or No..... (the number of the corresponding registration).....D.S.P."). All the inscriptions or captions shall be printed clearly in legible characters. Illustrations may be authorized as long as, in the opinion of the Pharmaceutical Technical Boards, they are not quackish or



conducive to self-cure. Aside from the final samples, two copies of the labels, seals, guarantee bands, packing, wrapping, etc., with which the product will be placed on the market, shall also be presented.

ARTICLE 30—For the purposes of this Regulation, the following types of propaganda are acceptable:—

I. That directed exclusively to professional medical men and in which the pharmacodynamic properties, dosage and every kind of indication and warning may be included. This type of propaganda should bear the following caption, plainly visible: "Literature exclusively for professional medical men", and it may be distributed only among such persons. This propaganda must be signed by a doctor.

II. That destined for the public in general, so prepared as to avoid leading to self-cure and which will bear the protective inscriptions required by the Department of Public Health. In no case will the publication of propaganda containing testimonials, or that covering an unregistered product, be authorized.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JUNE 28, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, June 28, 1943, and for the week ending Monday, June 21, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending June 21	Nominal Quotations in Montreal Week ending June 28	Official Bank Rate
Great Britain. . . . . Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. . . . . Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico . . . . . Peso	.4985	.2284	.2284	4
Jamaica . . . . . Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. . . . . Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2781	.2788	—
Brazil. . . . . Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana . . . . . Dollar	1.0138	.9313	.9313	—
Chile . . . . . Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. . . . . Peso	.9733	.6358	.6358	4
Venezuela . . . . . Bolivar	.1930	.3330	.3330	—
Uruguay. . . . . Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5870	.5870	—
South Africa. . . . . Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India. . . . . Rupee	.3650	.3359	.3359	3
Australia . . . . . Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. . . . . Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

## CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

### GENERAL

**Annual Report of the Department of Trade and Commerce.**—A summary of the activities of each of its Branches, including the Foreign Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

**Annual Report of the Board of Grain Commissioners.**—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

**Annual Report of Electricity and Gas Inspection Services.**—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

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**List of Grain Elevators.**—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

### PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

**Commercial Intelligence Journal.**—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

### PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics:—

**Census of Canada.**

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

Canada, 1943. (Price 25 cents.)

Canada Year Book. (Price \$1.50.)

Trade (Internal), prices, cost of living, etc. (Price \$1 per annum.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

News Bulletin, Daily (Price \$1.50 per annum). Weekly (Price \$1.00 per annum.)

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**C. M. CROFT, Director**

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**CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.**

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

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# Commercial Intelligence Journal

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Minister:

Hon. James A. MacKinnon, M.P.

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Oliver Master

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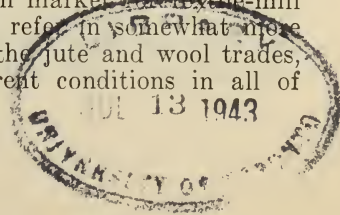
## INDIAN MARKET CONDITIONS FOR TEXTILE MILL SUPPLIES

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One rupee is approximately equal to \$0.335 Canadian)

Bombay, May 27, 1943.—India's textile mills, those producing mainly articles of cotton, jute and wool, are together the most important element in the country's industrial scheme. There are some 400 cotton mills with approximately 10,000,000 spindles and 200,000 looms, over 100 jute mills with some 1,500,000 spindles and 70,000 looms, and a considerable number of woollen mills, estimated at 50, with 75,000 spindles and 2,500 looms.

These numerous mills require vast quantities of machinery, supplementary manufacturing equipment, and a large and varied supply of chemicals and other processing materials. Few of these demands have been met from domestic sources, the industries having traditionally been content to depend on imported supplies. This trade has suffered severely as a result of the war, and some substitute plant and materials have been produced locally. It may be assumed, however, that many of India's textile mills will eventually revert to the practice of purchasing the bulk of their requirements from abroad. At such time Canadian manufacturers may be in a better position to cater to this trade than they have been to date. The following notes on the Indian market for textile-mill supplies may accordingly be of current interest; they refer in somewhat more detail to the demands of the cotton industry than to the jute and wool trades, but nevertheless provide a general summary of current conditions in all of India's textile manufacturing industries.



## IMPORT TRADE IN TEXTILE MILL SUPPLIES

The following table shows the principal items imported by the Indian textile industry, with values for the years 1937-38 to 1939-40.

*Imports into India of Textile Mill Supplies*

	1937-38 Rs.	1938-39 Rs.	1939-40 Rs.
Machinery . . . . .	45,049,398	37,877,460	26,879,052
Starch, dextrine and farina . . . . .	5,944,178	4,803,533	7,006,606
Bleaching materials . . . . .	1,327,080	1,291,340	1,803,726
Caustic soda . . . . .	4,280,555	4,545,438	7,230,601
Sodium hydrosulphite . . . . .	1,398,378	717,034	1,805,542
Zinc chloride . . . . .	359,530	519,855	520,338
Coal-tar dyes . . . . .	34,275,636	26,331,336	28,706,125
Leather belting . . . . .	2,749,437	2,292,747	2,522,679
Pickers . . . . .	869,365	693,716	1,195,688
Picking bands and straps . . . . .	1,117,488	865,988	1,105,360
Roller skins . . . . .	837,473	787,328	830,048
Bobbins . . . . .	4,273,986	3,791,957	3,788,743
China clay . . . . .	1,283,389	1,478,263	1,926,068

This table exaggerates to some extent the demands of local textile industries in that, for example, it shows total imports into India of leather belting, of which only a part is required in textile mills. The same applies to imports of certain chemicals. There are at the same time various other goods imported by the textile industry—tallow for example—of which no record is included in the foregoing figures, while, as indicated below, some of these materials are obtained from domestic sources.

The following paragraphs refer in some detail to current demand for the more important articles itemized in the foregoing table, the production of such goods in India, and the prospect of continued imports from overseas sources.

## MACHINERY

The United Kingdom has always been the principal source of supply of India's requirements of textile-mill machinery. In 1939-40 the value of imports of these goods from that country amounted to Rs.21,772,183 out of a total of Rs.26,879,052. Secondary sources of supply have been Germany, Japan, the United States, Austria, and Italy.

As between imports of various types of textile-manufacturing machinery, those for use in cotton mills account for a high proportion of the total, the respective figures for the year 1939-40 being Rs.19,644,882 and Rs.26,879,052. Of the former figure, Rs.10,773,183 represents spinning machinery and Rs.5,155,041 weaving equipment. Most of the remainder was made up of jute-mill equipment, the value of imports of wool machinery and miscellaneous types together amounting to no more than Rs.1,691,694.

Canada is known to have supplied certain quantities of knitting-machine needles to India for use in various woollen and hosiery mills in the Punjab. Some sales, in fact, are still being made, although it is probable that this is one of the few instances in which Canadian firms have participated in such business.

Very little textile-mill machinery has been manufactured in India, as is indicated by the foregoing figures of imports. Some efforts have been made to establish an industry of this type in Bengal, but little actual progress has been achieved to date. Several other establishments in western India are already manufacturing limited quantities of looms, also some types of dyeing, bleaching, and finishing equipment, but the output of such plants is far below demand, nor does it appear likely that the quality of many of these products or their variety will have any marked influence on the resumption of imports after the war.



## STARCHES

The substantial import trade in starch, dextrine, and farina, principally for use in the textile industry, consists largely of supplies of starch from the United States, farina, potato flour, and dextrine from the Netherlands, and sago flour from the Straits Settlements. The value of imports of starch in 1939-40 was Rs.3,133,896; of farina and potato flour, Rs.926,230, of sago flour, Rs.2,570,765; and of dextrine, Rs.375,715.

Indian agriculture and industry is in a much better position to produce some of these products than various others required by the textile industries. Starch can readily be made from Indian corn, which is produced in large quantities and has a satisfactory starch content. Four plants are at present engaged in this business, their annual output of some 20,000 tons approximating average domestic requirements. There is no local production of farina, potato flour, sago flour, or dextrine, nor does it appear likely that these can be made in India at competitive prices.

The domestic starch industry is at present in the sound position of having exclusive access to a substantial market, imports from the United States and other sources having been virtually terminated as a result of import control and various other factors. This enterprise is assured of a substantial degree of protection after the war, and it appears likely also that some textile mills may continue to use a larger proportion of domestic starch in their sizing processes than in the past. It is still apparent that import trade in other materials of this type will be resumed as soon as conditions permit.

## CHEMICALS

*Bleaching Materials.*—India's imports of bleaching materials consist largely of bleaching powder (otherwise known as calcium hypochlorite or chloride of lime). The United Kingdom has held a major share of this trade, having been credited with Rs.1,028,124 out of a total value of imports in 1939-40 of Rs.1,803,726. The United States, Germany, and Japan supplied the bulk of the remainder.

As a result of shortage in supplies, consequent on the curtailment of imports following the outbreak of war, production has been started in several local plants, and this industry shows every sign of being able to continue to operate successfully in future.

*Caustic Soda.*—This material has been imported almost exclusively from the United Kingdom, although limited quantities have also been brought in from the United States and Japan. Production has already been started in several local plants, and this domestic industry is expected to retain a part of the market after the war.

*Sodium Hydrosulphite.*—Pre-war trade in this material was fairly evenly divided between the United Kingdom and Germany, imports from other sources having been of small value. As in the case of caustic soda, production has been started in several local plants which, with tariff protection and the support of the textile mills, may well be able to operate profitably in the post-war period.

*Zinc Chloride.*—Imports of zinc chloride have originated largely in the United Kingdom, although Germany, Belgium, France, and the United States have also shared in the trade. It is reported that less progress has been made in the production of this material in local chemical plants than in the case of several other items of this general type.

## COAL-TAR DYES

The import figures shown above indicate the large extent of India's purchases of coal-tar dyes. Almost two-thirds of this business has been in dyes

of German manufacture. The United Kingdom, Switzerland, Japan, and the United States have supplied most of the remainder.

The heavy outlay of capital and the technical skill required for the establishment and maintenance of this industry have militated against any serious steps being taken to manufacture such materials in India, nor does it appear likely that such an enterprise will be started by any local interests unless possibly in the form of treatment of intermediates imported from other countries.

### LEATHER GOODS

With her large output of leather of numerous types, it might well be expected that India's output of belting, pickers, bands, and skins would be greater than it has been. The substantial import trade in these goods may be ascribed, however, to the generally poor quality of Indian leathers as compared with that required by the textile mills.

*Leather Belting.*—Imports of leather belting into India have been largely of United Kingdom origin, smaller quantities coming from the United States. There is reported to be a limited output of belting of a few sizes and of generally low quality by several local tanneries, but imports from abroad are likely to be resumed on a substantial scale after the war.

*Pickers and Bands.*—These items also have been imported into India in much larger quantities from the United Kingdom than from any other source, although France and Belgium have had a prominent part in the trade in picking bands and straps. Domestic plants are poorly equipped, both from the point of view of available materials and of experience, to displace the trade in such imported products.

*Roller Skins.*—Imports have been almost exclusively of United Kingdom origin, and there is little doubt that the usual shippers will again supply the bulk of Indian demand for these goods in future.

Canada has supplied small quantities of leather belting to the Indian market, but this business has been extremely limited. There appears to be no reason why regular trade in this product, as well as in pickers and possibly other leather articles used in textile mills, should not be considerably expanded in future.

### BOBBINS

Substantial imports of bobbins have been largely of United Kingdom manufacture. Smaller quantities have also been brought in from Japan while it is of interest to note that imports from Canada valued at Rs.13,720 were recorded during the year 1939-40.

These goods, as in the case of several other mill supplies, have been manufactured in India, but it appears in this instance that materials and workmanship have been below the standards observed in the countries from which a large part of the industry's requirements have been purchased. Even recently, when local plants have had ample opportunity of satisfying Indian mills of their ability to produce bobbins to their precise requirements, large orders are being placed with manufacturers in other countries and it is apparent that the import of bobbins is likely to persist.

### CHINA CLAY

Practically 100 per cent of India's imports of china clay have originated in the United Kingdom, and various efforts to develop a local industry, based on deposits in various parts of the country, have failed on account of the poor colour of the local product. It is unlikely that domestic production will be able to retain more than a minor share of the trade following the war.



## SUMMARY

The foregoing comments on the Indian market for textile-mill equipment indicate that this trade has been largely controlled by the United Kingdom except in the case of coal-tar dyes and some types of leather goods. This has been due primarily to ownership of many Indian mills by United Kingdom interests and the close and long-standing association between many of these local firms and British producers or shippers of their mill supplies. The market is still of such extent that there is considerable scope for participation in it by other countries. Reference has been made to the import from Canada of several leather manufactures, needles, and bobbins. It is suggested that Canadian manufacturers might be able to increase both the variety and volume of their exports of such materials to the Indian market.

## UNITED KINGDOM AGRICULTURAL EXPANSION

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, June 21, 1943.—For security reasons little official information has been released by the Ministry of Agriculture concerning the concrete results of the agricultural expansion program undertaken in the United Kingdom at the beginning of the war.

The Ministry proposes to maintain its policy of withholding from publication figures of acreage, production and numbers of live stock in the United Kingdom. However, on receipt of recent returns, information showing increases and decreases as compared with pre-war averages has been issued, providing striking evidences of the effects of the agricultural war effort.

The loss of agricultural land to military and industrial uses has exceeded the gain through reclamation, although much land has in fact been reclaimed.

"Arable land" comprises all annual crops and bare fallow, together with temporary leys; the area under "tillage" is the arable area without temporary leys. The cropped area has increased at the expense of temporary leys.

The information released by the Ministry of Agriculture is as follows:—

*General Acreage.*—As compared with the pre-war averages, arable tillage in 1942 shows an increase of 33·7 per cent, tillage an increase of 52·8 per cent, and the cultivated area a reduction of 2 per cent.

*Acreage of Individual Crops.*—Acreages planted to individual crops showed increases as follows: wheat, 35·6 per cent; oats, 72 per cent; cereals, 65·7 per cent; potatoes, 80·4 per cent; vegetables, 55·1 per cent.

*Live Stock.*—The number of cattle has increased by 4·6 per cent above the pre-war figure, but sheep have decreased by 17·8 per cent, pigs by 51·9 per cent, and poultry by 24·2 per cent.

The increase in the number of cattle reflects the Government's insistence on milk as Priority Food No. 1. Totals for other live stock have been reduced through scarcity of imported feeding-stuffs.

*Feeding-stuffs.*—Imports of feeding-stuffs in 1942-43 totalled 1,300,000 tons as against the pre-war figure of 8,500,000 tons.

*Tractors and Tractor Implements.*—The number of tractors in the United Kingdom in 1942 was 150,000 as compared with 55,000 in 1939. Corresponding figures for tractor implements are 1,175,000 and 200,000.

*Sugar from Home-grown Beets.*—In 1942 sugar from home-grown beets accounted for 35 per cent of the total United Kingdom sugar consumption as compared with a pre-war average of 23 per cent.

With regard to the sugar production, it is unofficially estimated that the recorded increase in production combined with the sugar rationing scheme has practically eliminated imports.

*Allotments.*—The total number of allotments of small individual plots of public land in 1942 was 1,675,000 as against the pre-war average of 930,000.

*Private Gardens.*—The estimated number of private gardens cultivated for vegetables in 1942 is 5,000,000 as compared with the pre-war average of 3,000,000.

*Cropping for 1943.*—The area of grassland ploughed in the 1942-43 season was 1,250,000 acres, the expected increase of tillage over 1942 is 750,000 acres, and the expected increase in wheat area is more than 25 per cent. Substantial increases are also expected for barley and potatoes.

*Increase of Output.*—The estimated increase in the net output from soil in the United Kingdom is 70 per cent over the pre-war average figure.

This increase is measured in calories, and is a net figure, i.e. it shows production derived from the land; that part of the output derived from imported feeding-stuffs is excluded.

*Labour.*—There has been a slight falling-off in the number of regular male workers, but additional labour of other kinds has been obtained. The Women's Land Army numbered 58,000 at the end of March, 1943. Numbers of prisoners of war are employed, and there has been a considerable increase in the total of casual workers.

## DEHYDRATION DEVELOPMENT IN NEW ZEALAND

C. B. BIRKETT, ACTING TRADE COMMISSIONER

Auckland, June 1, 1943.—According to a recent announcement by the New Zealand Marketing Department, the United Kingdom has contracted to purchase during the period ending July 31, 1943, 10,000 tons of dehydrated butterfat or such larger quantity as may be produced. Grade 1 is to be paid for at £150 a ton f.o.b. and Grade 2 at £145 a ton. The development of this industry was reported by this office in *Commercial Intelligence Journal* No. 2001 (June 6, 1942), page 594.

The moisture content of the product to be purchased is not to exceed one-half per cent, and the government grading is accepted for quality and weight, subject to confirmation by a panel of experts co-opted by the Ministry of Food in London, on which panel New Zealand is represented. The Auckland dehydrating plant has a capacity, working three shifts, of 9,000 to 10,000 tons a year.

There has been considerable development of the experimental work in dehydration that was initiated in 1941. A contract with the British Government provides for the supply to Britain of 2,500 tons of dried mutton or beef, New Zealand undertaking to increase the quantity to 5,000 tons in 1944. Prices are based on the frozen schedule rates for export meat plus costs of processing and a contribution toward the capital cost of the plant at the rate of 20 per cent per annum spread over the three-year period of the contract.

Built at the request of the British Ministry of Food, the first extensive meat dehydration plant erected in New Zealand was put into operation in March of this year. The capacity of the plant in full working order will be 5,000 tons of dried meat a year, which is estimated on a conversion basis to be approximately equivalent to 25,000 tons of boned meat.

Skim-milk powder, of which the country's normal exports are purchased by the United Kingdom Government, is paid for at the rate of £36 55s. a ton, and evaporated milk at 19s. 6d. a case f.o.b.



Potatoes are now being dehydrated in New Zealand, largely for the use of the armed forces. The process used has been worked out with the help of information from other countries, but it is mainly the result of considerable study by New Zealand scientists. It is expected that dehydration of other vegetables will be undertaken in the near future.

## NEW ZEALAND WOOLLEN INDUSTRY

C. B. BIRKETT, ACTING TRADE COMMISSIONER

Auckland, April 30, 1943.—According to recently published statistics, employment and production in the New Zealand woollen industry were more than maintained in 1941-42. Record levels for numbers of persons employed, wages paid, cost of materials, and value of production were established. The number of persons employed during the year was 10·5 per cent more than in the corresponding previous period, while salaries and wages paid increased by 22·9 per cent. The cost of materials and the value of products advanced by 16·8 per cent and 19 per cent respectively.

The principal statistics of production for the past three years are as follows:—

### *New Zealand Woollen Mills Statistics*

	1939-40	1940-41	1941-42
Establishments . . . . .No.	13	13	13
Value of land, buildings, plant and machinery..£	886,866	927,505	987,223
Persons engaged—			
Males . . . . .No.	1,276	1,543	1,725
Females . . . . .No.	1,704	1,946	2,130
Total . . . . .No.	2,980	3,489	3,855
Salaries and wages paid—			
To males . . . . .£	311,663	444,112	537,869
To females . . . . .£	209,397	274,340	345,387
Total . . . . .£	521,060	718,452	883,256
Cost of materials used . . . . .£	609,356	870,155	1,016,459
Other expenses . . . . .£	218,790	291,875	337,228
Power employed—			
Engines . . . . .No.	416	508	589
Horse-power . . . . .	6,132	6,558	6,818
Value of products . . . . .£	1,461,753	2,243,460	2,670,081
Added value . . . . .£	852,397	1,373,305	1,653,622

## MATERIALS

The cost of materials represents the cost at the mill, including transport charges to the mill. The following are comprised under the heading "materials": greasy wool, scoured wool (purchased as such), dyes, water, yarn, rags, oil, soap, alkali, art silk, and sundries. The following table shows the quantity and costs of greasy wool and of other materials used by New Zealand woollen mills during the past three years:—

### *Volume and Value of Materials*

	Greasy Wool		Other	Total
	Lb.	£	Materials £	Cost £
1939-40 . . . . .	10,181,725	504,538	104,818	609,356
1940-41 . . . . .	13,108,793	731,799	138,356	870,155
1941-42 . . . . .	14,776,744	830,883	185,576	1,016,459

The quantity of greasy wool used by mills during 1941-42 rose by 12·7 per cent as compared with 1940-41, while the cost increased by 13·5 per cent. The

quantity of scoured wool produced from the 14,776,744 pounds of greasy wool amounted to 8,181,407 pounds.

### PRINCIPAL PRODUCTS

The quantities of the principal products manufactured during each of the past three years are as follows:—

#### *New Zealand Woollen Mills Production*

	Tweeds and Cloths Yards	Flannel Yards	Blankets Pairs	Shawls and Rugs Number	Yarn Pounds
1939-40 . . . . .	1,915,010	1,186,940	209,721	32,387	1,017,095
1940-41 . . . . .	2,464,370	1,241,308	244,025	15,491	1,261,069
1941-42 . . . . .	2,670,275	1,599,058	243,704	12,598	1,663,921

### NEW WOOL PRICE

As from July 1, 1942, the flat-rate price hitherto paid for wool by the British Government (13·43d. per pound) is increased by 15 per cent, bringing the price to 15·45d. per pound plus the  $\frac{3}{4}$ d. per pound allowed to cover costs from brokers' stores to shipboard.

The New Zealand Government, in order to curb inflationary tendencies, has not passed on this increase to the growers in the form of cash. Their decision as to its distribution was announced thus by the Prime Minister—

1. That payment in full of the additional 15 per cent payable by the United Kingdom Government on this season's export greasy wool clip would be made to growers partly in cash and partly in non-transferable government stock, but the additional 15 per cent would not be paid to growers for the wool that would be used in New Zealand.

2. In accordance with this decision, the position will be as follows:  
(a) greasy wool appraisals this season have been made on the basis of 1941-42 prices plus 15 per cent, and from these new values 10 per cent is being retained;

(b) the 10 per cent retained will be disposed as follows:

- (i) An amount, estimated at 1 per cent, is required to cover the difference between appraisal values and prices charged for wool sold in New Zealand for local use.
- (ii) Five per cent will be paid to growers in non-transferable government stock.
- (iii) The balance, estimated at 4 per cent, will be paid to growers in cash at the end of the season.

3. In terms of a 15 per cent addition to last season's greasy wool prices, the position of the grower in respect of the 1942-43 season's greasy wool clip will be as follows: (a) On appraisal he is now receiving an average increase in price of 3½ per cent; (b) he will receive in non-transferable government stock 5·744 per cent; (c) at the end of the 1942-43 season he will receive in cash an estimated 4·556 per cent. The total of these increases in cash and bonds is 13·8 per cent, leaving an estimated 1·2 per cent for local wool.

The Government agrees that in cases of hardship the amount of inscribed stock will be replaced by cash or transferable bonds. The Government also agrees that the stock will be available for death-duty purposes.

## CONDITIONS IN ARGENTINA IN 1942

J. A. STRONG, CANADIAN COMMERCIAL ATTACHÉ

### IV. Exports and Imports

The effects of the war on various branches of Argentine industry are indicated in the following comparative table of exports by commodity groups for the years 1939 to 1942 inclusive:—

#### *Argentine Exports by Commodity Groups*

	1939	1940	1941	1942
	Thousands of Dollars			
Animal products—				
Meats . . . . .	110,963	102,612	128,883	185,405
Hides . . . . .	37,977	38,049	49,304	56,255
Wool . . . . .	54,246	64,894	79,766	62,338
Dairy products . . . . .	6,591	9,134	23,476	15,263
Animal sub-products . . . . .	14,804	13,028	17,051	31,238
Other animal products . . . . .	4,978	5,648	4,749	9,886
Total animal products . . . . .	229,559	233,365	303,229	360,375
Agricultural products—				
Grain . . . . .	230,521	177,498	85,145	76,499
Mill products . . . . .	8,573	5,912	2,167	2,711
Vegetable seeds and oil . . . . .	6,312	5,871	13,439	38,170
Fresh fruit . . . . .	3,660	1,780	1,831	2,497
Other . . . . .	6,589	7,835	13,060	8,359
Total agricultural products . . . . .	255,655	198,896	115,642	128,236
Quebracho and products . . . . .	15,987	11,283	13,803	13,931
Minerals and metals . . . . .	6,285	7,099	10,842	10,784
Furs . . . . .	1,821	2,025	4,611	3,480
Manufactured and other products . . . . .	15,083	23,309	40,079	77,520
Total . . . . .	524,390	475,977	488,206	594,326

It is evident that the grain-growers of Argentina have had their income from export trade halved since 1939 whereas the live-stock producers have prospered. There has been a noteworthy increase in the production and export of vegetable oils, apart from flaxseed, and, lastly, a comparatively large increase in exports of the products of Argentine manufacturing industries to other Latin American countries and to South Africa.

### DESTINATION OF EXPORTS

The following table shows the relative importance of the various export markets for farm and other products of Argentina:—

#### *Argentine Exports by Countries*

	1937	1938	1939	1940	1941	1942
	Thousands of Canadian Dollars					
United Kingdom . . . . .	223,959	153,165	188,231	181,519	158,863	194,497
Per cent of total . . . . .	29.0	32.8	35.9	38.1	32.5	32.7
United States . . . . .	113,406	39,518	62,937	84,482	180,952	168,081
Per cent of total . . . . .	14.7	8.5	12.0	17.8	37.1	28.3
To order . . . . .	.....	.....	.....	.....	.....	13,060
Sub-total . . . . .	337,365	192,683	251,168	266,001	339,815	375,638
Per cent of total . . . . .	43.7	41.3	47.9	55.9	69.6	63.3
Europe—						
Sweden . . . . .	10,302	8,155	11,059	6,738	4,971	25,959
Switzerland . . . . .	791	796	6,292	6,354	6,068	13,963
Spain . . . . .	1,174	2,433	9,983	18,403	22,294	15,913
Portugal . . . . .	292	951	544	2,252	718	770
Sub-total . . . . .	12,559	12,335	27,878	33,747	34,051	56,606
Per cent of total . . . . .	1.6	2.6	5.3	7.1	7.0	9.5



*Argentine Exports by Countries—Con.*

	1937	1938	1939	1940	1941	1942
	Thousands of Canadian Dollars					
Other European . . . . .	328,067	188,993	177,341	86,801	3,977	1,578
Per cent of total . . . . .	42.6	40.5	33.8	18.2	0.8	0.3
Other American—						
Canada* . . . . .	6,242	2,291	3,768	3,999	1,685	2,308
Brazil . . . . .	43,988	32,769	22,373	25,477	28,836	35,227
Chile . . . . .	4,329	4,578	3,346	6,867	9,964	20,344
Other . . . . .	17,417	15,832	19,790	27,126	39,710	63,148
Sub-total . . . . .	71,976	55,470	49,277	63,469	80,195	121,027
Per cent of total . . . . .	9.3	11.9	9.4	13.3	16.4	20.3
Japan . . . . .	8,019	5,410	3,607	7,732	14,352	.....
South Africa . . . . .	1,198	1,441	1,453	2,265	4,865	25,413
All others . . . . .	11,114	10,486	13,666	15,863	10,951	13,579
Total . . . . .	770,298	466,818	524,390	475,878	488,206	593,841

\* All exports to Canada are not included in the Argentine official figures; some are credited to the United States.

Since Argentina's exports are largely of farm products, despite the importance of manufacturing industries in the economy of the country, the trends in farm production and in prices to farm producers since before the war of 1814-18, as shown in the following table, are of interest:—

*Indices of Farm Production and Prices in Argentina*

(Base, 1910-14 average=100)

Averages	Grain Acreages	Cattle Slaugh- terings	Volume Grain Exports	Meat Exports	Average Wheat	Market Corn	Prices Cattle
1910 . . . . .	85.7	83.9	83.4	84.2	96.0	90.0	83.1
1910-14 . . . . .	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1915-19 . . . . .	104.3	121.4	87.7	135.0	160.0	117.4	143.3
1920-24 . . . . .	100.8	159.3	135.2	151.4	193.0	149.8	111.4
1925-29 . . . . .	133.7	208.3	183.5	184.3	155.8	133.2	124.6
1930-34 . . . . .	153.3	178.2	189.8	135.7	80.4	80.4	103.3
1935-39 . . . . .	159.0	217.9	174.3	142.1	116.4	103.6	106.6
1939 . . . . .	155.6	232.5	150.1	153.2	84.0	109.0	109.4
1940 . . . . .	162.1	218.1	106.4	128.8	92.0	71.0	117.1
1941 . . . . .	156.4	236.5	58.0	146.2	82.0	34.0	122.9

*LIVE-STOCK INDUSTRY*

An agricultural census for Argentina, taken in 1942, was reported in *Commercial Intelligence Journal* No. 2049 (May 8, 1943), page 377. Comparative figures of live stock for that and previous census years are shown in the following table:—

*Numbers of Live Stock in Argentina*

	Cattle No.	Sheep No.	Pigs No.
1914 . . . . .	25,866,763	43,225,452	2,900,585
1922 . . . . .	37,064,850	36,208,981	1,436,638
1930 . . . . .	32,211,855	44,882,728	3,768,738
1937 . . . . .	33,207,287	43,882,728	3,965,945
1942 . . . . .	31,359,500	50,902,430	5,707,165

Argentina exported 1,533 million pounds of meats during 1942. The local live-stock producers received an average live-weight price for all live stock sold for the export trade that was 22.9 per cent higher than in 1941 and 39 per cent higher than in 1938. The large share of these meat exports went to the United Kingdom and to the war zones.

The average live-weight prices paid for cattle in Argentina rose by 13 per cent between 1939 and 1941. In 1942 the 2,514,340 head of cattle sold in the



stockyards in Buenos Aires brought average prices 33 per cent higher than the 2,377,071 head sold in 1941. Prices to producers for all cattle that conform to the established export grades are fixed officially irrespective of whether the cattle are slaughtered for export or home consumption. Lamb prices were 19 per cent higher than in 1941, and hog prices increased 17·5 per cent. The value of all live-stock production in 1942 is estimated to have been 34 per cent higher than the pre-war level.

MEAT EXPORTS

Argentina is one of the most important sources of meat supplies for world markets. The United Kingdom is the leading single consumer of meats from Argentina. Approximately £450 million sterling is invested in Argentina, largely in railways and other public utilities, meat-packing plants and farm land. These investments were designed primarily to facilitate the production and transportation of food for consumption in the United Kingdom. From the time the fat steers leave their alfalfa pastures in Argentina until the carcasses hang in Smithfield market, they have not left the hands of British-owned enterprises—railways, packing plants and steamships.

The figures covering current exports of meats are not exactly comparable, since the frozen beef and pork is now shipped de-boned instead of in carcasses. A given weight of de-boned beef represents some 21 per cent more meat than the same weight in carcasses. Meats are also being dehydrated. The increase in pig production is being checked by the failure of the Argentine corn crop this year. The following table shows the official export figures for meats shipped from Argentina since 1938:—

*Argentine Meat Exports*

	1938	1939	1940	1941	1942
Frozen beef—			Thousands of Pounds		
Chiller quality . . . . .	755,049	779,527	626,599	638,941	676,419
Fore quarters . . . . .	310,149	319,480	205,092	282,097	312,744
Hind quarters . . . . .	417,122	427,651	374,542	339,883	360,240
Cuts and pieces . . . . .	25,849	31,007	46,761	16,912	3,316
Middles . . . . .	1,929	1,389	4	49	119
Continental quality . . . . .	226,522	243,754	197,043	182,894	145,093
Frozen tenderloin . . . . .				9,435	5,987
Frozen mutton . . . . .	105,009	120,772	136,302	109,908	177,125
Lamb . . . . .	88,189	107,913	111,588	94,683	147,142
Mutton . . . . .	16,820	12,859	24,714	15,226	29,984
Frozen pork . . . . .	18,467	13,874	3,429	68,300	117,780
Salted beef . . . . .	10,756	9,233	4,033	4,037	3,290
Salted pork . . . . .	4,461	4,132	1,116	1,444	7,914
Tinned meats . . . . .	163,730	181,952	176,197	293,955	248,177
Frozen tongues . . . . .	4,425	6,337	4,736	1,771	179
Tinned tongues . . . . .	4,928	4,095	5,753	5,874	5,837
Meat offals . . . . .	64,463	67,151	61,414	58,699	63,460
Frozen poultry . . . . .	3,874	5,076	928	2,150	1,724
Meat concentrate . . . . .	1,248	1,797	1,155	1,674	1,072
Meat extract . . . . .	3,757	5,008	5,005	10,070	4,974
Meat meal . . . . .	20,326	18,542	12,487	1,164	1,779
Pork products, other . . . . .	16,917	10,266	1,993	3,188	13,038
All other meats* . . . . .	5,329	4,231	2,467	11,201	59,769
Total meat volume . . . . .	1,409,262	1,475,747	1,240,659	1,404,705	1,533,617
			Thousands of Canadian Dollars		
Total value . . . . .	105,154	110,963	102,612	128,883	185,405

\* Includes certain new and special meat packs.

In addition to supplying meats, Argentina is an important exporter of animal by-products such as animal-fat oils, stearine, glands, glycerine, primer jus, tallow and lard, margarine, horns, bones, horse and cattle hair, pig bristles, tripe, and dried blood. The important animal sub-products are cattle hides and wool. There has been a large increase in exports of tanned leather from

Argentina. The United States is now the principal buyer of Argentine wool, and shipments are restricted by the shortage of shipping space. Exports of these two products were as follows in the years 1938 to 1942:—

*Argentine Exports of Hides and Wool*

	1938	1939	1940	1941	1942
Hides—		Thousands of		Hundredweights	
Cattle, salted . . . . .	2,613	2,957	2,678	3,037	2,706
Cattle, dried . . . . .	329	296	219	183	201
Sheepskins . . . . .	402	342	261	283	246
Horse hides . . . . .	72	98	69	107	140
Goat skins . . . . .	49	51	35	50	38
Tanned leather . . . . .	9	5	33	80	131
Other . . . . .	2	1	1	2	3
Total all hides, etc. . . .	3,476	3,750	3,296	3,742	3,465
Wool—					
Greasy . . . . .	2,851	2,705	2,184	2,847	1,277
Packers' . . . . .	188	202	248	302	254
Washed . . . . .	309	385	557	566	639
Other . . . . .	....	....	....	5	22
All wools . . . . .	3,348	3,292	2,989	3,720	2,192

## CHILEAN CEREAL ESTIMATE FOR 1943

M. J. VECHSLER, CANADIAN COMMERCIAL ATTACHÉ

Sanitago, June 22, 1943.—The statistical Department of the Government of Chile has just issued its first estimate for the current year's cereal harvest. The wheat harvest is estimated at 8,536,289 metric quintals, forage barley at 400,632 quintals, malting barley at 308,654 quintals, oats at 770,838 quintals, and rye at 62,785 quintals.

From the foregoing the current harvest is expected to exceed that of last year by 710,976 quintals, an increase of 9.1 per cent. The increase in the barley yield over that of 1942 is expected to be some 2.7 per cent, and the oat harvest is estimated to show an increase of 14.6 per cent. The rye estimate indicates an increase of 9,683 metric quintals, or 18.2 per cent, over that of 1942.

## FOREIGN TRADE OF CHILE IN 1941

M. J. VECHSLER, CANADIAN COMMERCIAL ATTACHÉ

### II. Principal Imports of Interest to Canada

(Values are in Chilean pesos of 6d. gold; one metric ton equals 2,204 pounds; one kilo equals 2.2 pounds)

Following is a statistical summary of the principal imports into Chile in 1941, showing for each item the total imports in that year, with comparative figures for 1940 within parentheses, and the principal sources of supply:—

#### METALLIC MINERALS

*Aluminium in Ingots.*—Total imports, 1,623 kilos, 272 pesos (17,586 kilos, 39,937 pesos); all from the United States.

*Tin in Bars and Ingots.*—Total imports, 3,504 metric quintals, 2,160,295 pesos (2,551 quintals, 1,385,829 pesos); the United States and the United Kingdom were the principal suppliers.

*Ferro-chrome.*—Total imports, 9,159 kilos, 13,540 pesos (14,460 kilos, 14,054 pesos); entirely from the United States.

*Ferro-manganese.*—Total imports, 473,393 kilos, 337,353 pesos (446,748 kilos, 269,398 pesos); the United States was the sole supplier.

*Ferro-silicon.*—Total imports, 85,192 kilos, 45,940 pesos (148,138 kilos, 99,853 pesos); all from the United States.



*Silicon and Manganese Alloys.*—Total imports, 9,303 kilos, 6,845 pesos (79,015 kilos, 47,736 pesos); the United States was the sole supplier.

*Nickel, Electrolytic, in Bars.*—Total imports, 41,393 kilos, 146,288 pesos (61,050 kilos, 232,412 pesos); Canada, 11,394 kilos (37,611 pesos); United States, 29,999 kilos (108,677 pesos).

*Nickel, Ferro-chrome.*—Total imports, 55,677 kilos, 59,238 pesos (nil); all from the United States.

*Lead in Ingots.*—Total imports, 1,908,605 kilos, 948,409 pesos (1,088,155 kilos, 457,409 pesos); Canada, 24,403 kilos (14,609 pesos); United States, 797,523 kilos (409,701 pesos); United Kingdom, 12,693 kilos (8,991 pesos); Peru, 972,471 kilos (479,366 pesos); and Portugal, 101,560 kilos (41,742 pesos).

*Zinc Ingots.*—Total imports, 629,458 kilos, 765,876 pesos (1,138,796 kilos, 754,436 pesos); United States, Belgium, Mexico): United States, 344,094 kilos (406,090 pesos); Peru, 285,364 kilos (359,786 pesos).

#### NON-METALLIC MINERALS IN RAW STATE OR PRIMARILY PROCESSED

*Clays.*—Total imports, 738,371 kilos, 241,245 pesos (743,222 kilos, 279,276 pesos): United Kingdom, United States, Italy and Germany): Bolivia, 12,235 kilos (935 pesos); Canada, 231 kilos (102 pesos); United States, 675,960 kilos (233,635 pesos); and United Kingdom, 49,945 kilos (6,573 pesos).

*Emery.*—Total imports, 43,055 kilos, 46,010 pesos (25,124 kilos, 24,786 pesos): United States, 37,449 kilos (41,645 pesos); United Kingdom, 5,606 kilos (4,365 pesos).

*Other Abrasives.*—Total imports, 39,594 kilos, 18,975 pesos (47,474 kilos, 17,836 pesos): United States, 39,531 kilos (18,950 pesos).

#### CARBONS AND COMBUSTIBLE MINERALS

*Coal.*—Total imports, 68,903 metric tons, 3,910,588 pesos (220,563 tons, 11,961,303 pesos): United States, 62,342 tons (3,571,382 pesos); United Kingdom, 6,142 tons (320,716 pesos).

*Metallurgical Coke.*—Total imports, 8,455 metric tons, 1,206,791 pesos (7,164 tons, 583,514 pesos): United States, 7,405 tons (1,077,288 pesos); United Kingdom, 1,050 tons (129,503 pesos).

*Petroleum, Crude.*—Total imports, 762,281 tons, 36,408,145 pesos (606,959 tons, 28,654,448 pesos): Curacao, 238,868 tons (9,089,569 pesos); United States 385,882 tons (18,983,719 pesos); Peru, 137,531 tons (8,424,857 pesos).

*Petroleum, Diesel.*—Total imports, 44,536 tons, 3,723,710 pesos (60,287 tons, 4,036,360 pesos): United States 23,261 tons (2,019,486 pesos); Peru, 10,688 tons (985,836 pesos); Curacao, 10,587 tons (718,388 pesos).

#### FOREST AND MARINE PRODUCTS

*Lumber, Pine.*—Total imports, 8,125 square metres, 811,833 pesos (2,316 square metres, 212,499 pesos): United States, 7,882 square metres (771,406 pesos).

*Gums, Rubber, Gutta-percha and Other Similar Resinous Products in bulk, in sheets up to a Thickness of 1 mm.*—Total imports, 692,498 kilos, 1,605,726 pesos (366,928 kilos, 859,997 pesos): Java, 210,533 kilos (436,062 pesos); United Kingdom, 112,284 kilos (273,107 pesos); United States, 92,466 kilos (265,498 pesos); Netherlands, 86,912 kilos (206,058 pesos); Canada, 76 kilos (526 pesos).

*Rubber, Raw, in Sheets over 1 mm. Thick.*—Total imports, 140,782 kilos, 460,334 pesos (60,748 kilos, 92,991 pesos): United States, 57,181 kilos (218,116 pesos); Java, 49,164 kilos (129,656 pesos); United Kingdom, 28,922 kilos (92,571 pesos); Canada, 117 kilos (339 pesos).

#### PRODUCTS OF THE ANIMAL KINGDOM

*Fine Skins, not Tanned.*—Total imports, 9,378 kilos, 164,333 pesos (16,145 kilos, 481,120 pesos): United States, 1,753 kilos (113,685 pesos); Argentina, 7,506 kilos (37,631 pesos); United Kingdom, 25 kilos (5,930 pesos); Canada, 70 kilos (5,055 pesos).

*Domestic Poultry.*—Total imports, 516 in number, 45,043 pesos (149, 14,055 pesos): United States, 416 (44,913 pesos); Argentina, 100 (130 pesos).

*Live Cattle, Over Two Years.*—Total imports, 65,225 head, 9,206,648 pesos (67,358 head, 11,420,401 pesos): all from Argentina.

*Sheep.*—Total imports, 611,126 head, 2,939,777 pesos (574,115 head, 4,068,110 pesos): Argentina was the principal supplier.

*Leather Skins, Untanned, not specified.*—Total imports, 377,056 kilos, 913,298 pesos (1,374,151 kilos, 1,899,303 pesos): United States, 125,790 kilos (565,155 pesos); Argentina, 246,823 kilos (345,194 pesos).



## AGRICULTURAL PRODUCTS

*Alfalfa Seed*.—Total imports, 312,593 kilos, 361,534 pesos (261,483 kilos, 335,632 pesos): Peru, 292,243 kilos (347,729 pesos); Argentina supplied the remainder.

*Malt*.—Total imports, 315,607 kilos, 1,343,206 pesos (187,037 kilos, 661,914 pesos): all from the United States.

*Spices*.—Total imports were valued at 1,405,627 pesos (760,628 pesos): United States, 1,071,494 pesos; Spain, 219,136 pesos; United Kingdom, 67,888 pesos.

*Cotton, Raw*.—Total imports, 7,218,387 kilos, 7,139,068 pesos (5,485,762 kilos, 4,937,885 pesos): Peru, 4,336,441 kilos (4,874,254 pesos); United States, 2,334,717 kilos (1,632,424 pesos); Brazil, 530,986 kilos (611,568 pesos).

*Vegetable Fibres, not specified, Undyed*.—Total imports, 4,590,313 kilos, 3,140,734 pesos (3,614,719 kilos, 2,036,055 pesos): India, 3,871,040 kilos (2,691,308 pesos).

## MANUFACTURED PRODUCTS

## FOODSTUFFS

*Prepared Cereal Foods*.—Total imports 17,664 kilos, 30,356 pesos (14,556 kilos, 28,895 pesos): United States, 17,438 kilos (29,958 pesos).

*Canned Fish and Shellfish*.—Total imports, 15,304 kilos, 36,790 pesos (10,117 kilos, 27,086 pesos): Spain, 7,341 kilos (21,130 pesos); Japan, 3,972 kilos (9,046 pesos); United States, 2,605 kilos (3,323 pesos).

*Canned Salmon*.—Total imports, 92,541 kilos, 142,474 pesos (71,205 kilos, 95,727 pesos): United States, 70,741 kilos (125,927 pesos); Japan, 21,800 gross kilos (16,547 pesos).

*Canned Sardines*.—Total imports, 78,999 gross kilos, 81,152 pesos (363,815 kilos, 424,466 pesos): United States, 63,923 kilos (54,538 pesos); Spain, 8,146 kilos (15,518 pesos); Portugal, 6,236 kilos (9,808 pesos); Canada, 564 kilos (1,182 pesos).

*Sugar, Granulated*.—Total imports, 1,400,988 quintals, 18,242,211 pesos (1,394,670 quintals, 21,582,984 pesos): Peru, 1,239,722 quintals (15,930,711 pesos).

## BEVERAGES AND LIQUORS

*Gin in Bottles*.—Total imports, 2,532 litres, 21,269 pesos (7,374 litres, 28,928 pesos): Panama, 980 litres (12,196 pesos); United Kingdom, 790 litres (5,668 pesos); United States, 698 litres (3,211 pesos); Canada, 34 litres (87 pesos).

*Whisky in Bottles*.—Total imports, 122,086 litres, 1,019,013 pesos: United States, 61,317 (580,776 pesos); United Kingdom, 52,741 litres (350,211 pesos); Panama, 5,706 litres (72,578 pesos); Canada, 1,522 litres (8,210 pesos).

## YARNS, ROPES, ETC.

*Cotton Yarn on Spools, Bobbins and Cones for Spinning*.—Total imports, 2,921,961 kilos, 10,443,013 pesos (4,682,438 kilos, 14,126,251 pesos): United States, 1,056,407 kilos (4,965,243 pesos); Japan, 908,457 kilos (2,459,403 pesos); Brazil, 652,850 kilos (1,412,571 pesos); United Kingdom, 230,793 kilos (1,356,931 pesos).

*Silk Yarn, One Thread, for Knitting*.—Total imports, 1,154,377 kilos, 7,504,763 pesos (1,654,538 kilos, 9,149,648 pesos): Brazil, 279,413 kilos (1,925,667 pesos); United Kingdom, 232,470 kilos (1,663,150 pesos); United States, 162,865 kilos (1,600,940 pesos); Japan, 372,906 kilos (1,584,547 pesos).

*Cotton Thread for Sewing, Mending, Knitting, Embroidering or Marking, Bleached, Mercerized, Dyed, etc.*—Total imports, 3,755,865 kilos, 4,328,759 pesos (488,930 kilos, 4,710,796 pesos): United Kingdom, 154,681 kilos (2,100,018 pesos); United States, 184,393 kilos (1,939,219 pesos).

*Silk Thread, for Sewing, Mending, Knitting, etc., Unbleached, Bleached and Dyed*.—Total imports, 55,030 kilos, 2,072,535 pesos (38,947 kilos, 1,452,133 pesos): United States, 36,867 kilos (1,464,059 pesos); Japan, 15,663 kilos (549,844 pesos).

*Manila Rope and Twine, Each Ten Metres, weighing more than 600 Grams*.—Total imports, 293,438 kilos, 445,045 pesos (273,584 kilos, 341,455 pesos): United States, 158,516 kilos (266,512 pesos); United Kingdom, 87,045 kilos (129,859 pesos); the Philippines, 47,877 kilos (49,674 pesos).

## FABRICS

*Sackcloth of Hemp or Jute, Crude, 8 Threads or Less per Square of 5 mm.*—Total imports, 544,981 kilos, 1,303,687 pesos (624,394 kilos, 1,073,304 pesos): United Kingdom, 375,903 kilos (1,092,760 pesos); India, 133,755 kilos (145,847 pesos).

*Linoleum for Floors*.—Total imports, 6,342 kilos, 93,329 pesos (95,113 kilos, 117,557 pesos): United Kingdom, 39,495 kilos (60,417 pesos); United States, 20,847 kilos, 32,912 pesos).

*Oilcloths, Pergamoids and Waxed Cloths.*—Total imports, 232,510 kilos, 8,905,668 pesos (215,363 kilos, 751,507 pesos): United States, 197,409 kilos (784,471 pesos); United Kingdom, 17,710 kilos (58,125 pesos); Japan, 15,151 kilos (41,513 pesos).

*Osnaburgs of Cotton, etc.*—Total imports, 2,019,118 kilos, 4,343,118 pesos (2,478,326 kilos, 4,843,368 pesos): United States, 873,310 kilos (2,390,871 pesos); Japan, 1,075,027 kilos (1,782,306 pesos); United Kingdom, 53,296 kilos (146,646 pesos).

*Cloths, Waterproofed with Rubber or its Substitutes, of Cotton.*—Total imports, 207,787 kilos, 901,163 pesos (306,392 kilos, 1,079,475 pesos): United States, 100,806 kilos (489,750 pesos); United Kingdom, 38,643 kilos (248,424 pesos); Japan, 67,361 kilos (160,644 pesos).

*Cotton Fabrics, not Specified, Stamped, Dyed or with Coloured Threads, weighing 80 Grams per Square Metre and containing from 28 to 38 Threads per Square of 5 mm.*—Total imports, 515,832 kilos, 3,985,630 pesos (653,080 kilos, 4,552,514 pesos): Japan, 320,996 kilos (1,773,927 pesos); United Kingdom, 101,731 kilos (1,314,469 pesos); United States, 57,318 kilos (528,985 pesos); Brazil, 33,273 kilos (346,963 pesos).

*Cloths not Specified, of Wool or Vegetable Fibres, containing over 10 per cent Wool, with or without Metal Threads, weighing 250 Grams per Square Metre.*—Total imports, 235,930 kilos, 4,936,624 pesos (141,035 kilos, 2,696,276 pesos): United Kingdom, 66,881 kilos (1,994,881 pesos); Japan, 96,502 kilos (1,426,317 pesos); Argentina, 47,814 kilos (881,225 pesos).

*Cloths not Specified, of Wool or Vegetable Fibres, containing over 10 per cent Wool, with or without Metal Threads, weighing over 250 Grams per Square Metre.*—Total imports, 576,718 kilos, 12,471,573 pesos (426,278 kilos, 8,127,981 pesos): United Kingdom, 306,806 kilos (7,858,238 pesos); Japan, 140,917 kilos (2,254,321 pesos); Argentina, 80,550 kilos (1,316,255 pesos).

*Bags and Sacks, Empty, of Hemp or Jute, with or without Paper Linings.*—Total imports, 5,760,198 kilos, 4,536,113 pesos (2,853,637 kilos, 1,820,161 pesos): India, 3,302,650 kilos (2,590,872 pesos); United Kingdom, 2,230,247 kilos (1,673,935 pesos).

*Shirts, Cotton, Men's and Boys'.*—Total imports, 13,104 units, 71,967 pesos (12,316 units, 64,615 pesos): United States, 7,832 units (50,217 pesos); Argentina, 2,273 units (14,132 pesos); Japan, 2,587 units (5,116 pesos).

*Hosiery, Knitted, containing Silk.*—Total imports, 6,804 kilos, 403,808 pesos (1,940 kilos, 189,560 pesos): United States, 3,825 kilos (361,682 pesos); Japan, 2,405 kilos (19,869 pesos); Canada, 5 kilos (1,185 pesos).

## RECENT DEVELOPMENTS IN CALIFORNIA

T. J. MONTY, ACTING TRADE COMMISSIONER

Los Angeles, June 21, 1943.—In its report for the month of May the Security First National Bank of Los Angeles notes, among recent developments, continued expansion of war production, heavy sales of war bonds under the Second War Loan drive, and increased volume of retail trade, all of which contributed to record bank debits.

Business expansion resulting from the war has been substantially more pronounced in Southern California than throughout the country as a whole. "The expansion began earlier locally and has progressed at a more rapid rate than in other sections of the country. As this area is the principal aircraft production centre of the nation, it was called upon to produce large numbers of aircraft from the outset of war in Europe. The early and rapid expansion of this industry and its allied lines, and later in shipbuilding, has made this area one of the principal war production centres of the nation. In this connection it is noted that California has received a greater dollar volume of war contracts than any other state, and more than two-thirds of the California total is centred in Los Angeles and San Diego counties"—i.e. the southern part of the state.

In many sections of the country production of war goods has in considerable measure been achieved through conversion of previously existing industry from peacetime to wartime output. Locally, however, heavy production of war goods has been accomplished largely through major industrial expansion. The extent of this expansion in a period of less than four years would have required ten to twenty years at the pre-war rate of development. Of particular importance is the establishment or major expansion in Los Angeles County and in adjacent areas of many basic industries. These include mining and smelting of iron ore,



production, rolling and fabrication of steel, reduction of aluminum ore, fabrication of aluminum, production of magnesium and manganese, fabrication of copper, and manufacture of aviation gasoline and synthetic rubber.

With a rapidly increasing and now large proportion of local wage-earners employed in aircraft and shipbuilding, which are relatively high-paying industries, average weekly earnings of workers have increased considerably more than the average for industrial workers throughout the nation. Also contributing is the fact that the average number of hours worked per week has increased somewhat more locally than nationally.

#### WOMEN IN INDUSTRY

The number of women employed in factory jobs in Los Angeles County is now larger than the total number of industrial wage-earners in the county prior to the outbreak of war in Europe. The former total, men and women combined, was 130,000; currently the number of women wage-earners in industry is estimated at 135,000. This total is exclusive of the thousands employed in office work by the same industrial concerns. At the present time more than 30 per cent of the industrial wage-earners in the county are women.

It is logical to expect that in the post-war period the pattern of business locally will follow more closely that for the country as a whole. While agriculture, motion pictures, petroleum, construction and the tourist trade will continue to be important in the local economy, the prosperity of the area will depend to a marked degree upon the demand for airplanes and other industrial products. It is noteworthy that, while less than 13 per cent of the gainfully employed persons in Los Angeles County were working in manufacturing industries prior to the start of the war, the proportion has increased to from 35 to 40 per cent at present. This percentage will probably decline in the post-war period but it will nevertheless remain large relative to the pre-war total. The future prosperity of this area will probably depend to a larger extent than formerly upon developments and changes in industrial activity.

### TARIFF CHANGES AND TRADE REGULATIONS

#### Jamaica

##### DUTY-FREE ENTRY OF PACKING MATERIAL EXTENDED

The Jamaica tariff item exempting from Customs duty various packing material for agricultural produce of the Island was broadened by the Legislative Council on June 3 to apply to: (a) all containers (except those made of wood) imported by or on behalf of any person for his use in baling, bagging, bottling, crating or packing any articles produced or manufactured by him in Jamaica where such containers are intended to be sold together with such articles, as well as to printed labels, corks, bungs and stoppers for the containers in question; (b) all materials (except shocks, staves and headings of wood) imported under the conditions defined in (a); and furthermore (c) wrapping and grease-proof paper imported by or on behalf of any person for use by such person in the wrapping or covering of any articles produced or manufactured by him in the Island, if stamped with the name or the description of the article for the wrapping or covering of which it is intended to be used.

#### Mexico

##### CUSTOMS BROKERS' FEES: A CORRECTION

Mr. C. S. Bissett, Canadian Trade Commissioner at Mexico City, writes under date June 23, 1943, that, with reference to a report entitled "Mexican Customs Brokers' Fees", published in *Commercial Intelligence Journal* No. 2028 (December 12, 1942), the rates shown on page 542 as being applicable to



“merchandise in general” and “metals and ores” are levied upon a “per ton” basis.

With reference to a notice concerning an addition to the schedule of fees, published in *Commercial Intelligence Journal* No. 2036 (February 6, 1943), page 117, the rates shown are leviable similarly on a “per ton” basis and, instead of “14 pesos for the first 100 tons and 6 pesos for each additional 100 tons”, the notice should have read “14 pesos for each of the first 100 tons and 6 pesos for each additional ton”.

**EXCHANGE CONDITIONS IN CUBA, HAITI, DOMINICAN REPUBLIC, PUERTO RICO AND UNITED STATES VIRGIN ISLANDS**

Mr. J. E. O'Neill, Office of the Canadian Trade Commissioner at Havana, writes under date July 2, 1943, that there are no official exchange restrictions in force in any of the above-listed countries that are likely to affect the collection of drafts drawn on importers therein by exporters abroad. Merchants in these territories can obtain without difficulty the foreign exchange to pay for their imports from Canada.

**FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JULY 5, 1943**

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, July 5, 1943, and for the week ending Monday, June 28, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending June 28	Nominal Quotations in Montreal Week ending July 5	Official Bank Rate
Great Britain. . . . .Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. . . . .Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico . . . . .Peso	.4985	.2284	.2284	4
Jamaica . . . . .Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies.Dollar	1.0133	.9313	.9313	—
Argentina. . . . .Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2788	.2788	—
Brazil. . . . .Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana . . . . .Dollar	1.0138	.9313	.9313	—
Chile . . . . .Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. . . . .Peso	.9733	.6358	.6358	4
Venezuela . . . . .Bolivar	.1930	.3330	.3330	—
Uruguay. . . . .Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5870	.5870	—
South Africa. . . . .Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . .Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India. . . . .Rupee	.3650	.3359	.3359	3
Australia . . . . .Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. . . . .Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

## CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

### GENERAL

**Annual Report of the Department of Trade and Commerce.**—A summary of the activities of each of its Branches, including the Foreign Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

**Annual Report of the Board of Grain Commissioners.**—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

**Annual Report of Electricity and Gas Inspection Services.**—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

**Annual Report of Dominion Grain Research Laboratory.**—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

**List of Grain Elevators.**—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

### PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

**Commercial Intelligence Journal.**—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

### PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics:—

**Census of Canada.**

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

Canada, 1943. (Price 25 cents.)

Canada Year Book. (Price \$1.50.)

Trade (Internal), prices, cost of living, etc. (Price \$1 per annum.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

News Bulletin, Daily (Price \$1.50 per annum). Weekly (Price \$1.00 per annum.)

# COMMERCIAL INTELLIGENCE SERVICE

**C. M. CROFT, *Director***

## **Argentina**

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## **Australia**

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

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COUPON RATIONING IN NEWFOUNDLAND

R. P. BOWER, ACTING TRADE COMMISSIONER

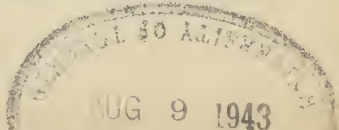
St. John's, June 29, 1943.—On June 26 the Newfoundland Deputy Food Controller announced in a radio address that, as from July 5, 1943, tea, coffee and sugar would become subject to coupon rationing in all areas in Newfoundland with the exception of Labrador, White Bay, St. Barbe and Green Bay. While the distribution of these and certain other commodities has been subject to regulations for some time, as reported previously in the *Commercial Intelligence Journal*, rationing has been on an honour basis.

The registration of all consumers in affected areas has now been completed, and the ration books are to be distributed before July 5. On and after that date the domestic consumers of these foodstuffs will be unable to obtain them in the areas now subject to rationing except on surrender of coupons.

The rationing system adopted in Newfoundland is in general similar to that in force in Canada. Coupons become valid on July 5 and are issued to cover the period to December 20, 1943, each coupon representing the ration that may be purchased during a two weeks' period.

A tea or coffee coupon is good for four ounces of tea or eight ounces of coffee unless it is overprinted with the word "child", in which case it is valid for the purchase of one ounce of tea but not for the purchase of coffee. A sugar coupon represents two pounds of this commodity.

Notwithstanding the general prohibition of the use of coupons before their due date, residents in areas more than three miles from the nearest store or retailer are authorized to present up to seven coupons in advance of their due dates. This will allow such persons to buy up to three months' rations of tea, coffee and sugar at one time.



Special arrangements have also been made for transients. Persons entering the country are required to register and are then issued temporary ration cards.

The sale, transfer or gift of ration coupons is prohibited, and it is an offence for any person to be unlawfully in possession of a ration book or card or loose coupons.

This is the first time that coupon rationing of any commodity has been attempted in Newfoundland. The Deputy Food Controller has emphasized the necessity for such a measure in view of the dependence of this country upon supplies from overseas countries where rationing is already in force.

## AGRICULTURAL PRODUCTION IN NEW ZEALAND

C. B. BIRKETT, ACTING TRADE COMMISSIONER

Auckland, June 1, 1943.—A review of New Zealand statistics shows that production of primary products of the Dominion for the past five years has increased steadily. The following figures for butterfat production were issued recently by the Minister of Agriculture: 1937-38, 170,000 tons; 1938-39, 155,000 tons; 1939-40, 168,000 tons; 1940-41, 183,000 tons; 1941-42, 171,000 tons.

Figures for the production of wool, meat, and dairy products are as follows: 1937-38, 849,000 tons; 1938-39, 860,000 tons; 1939-40, 926,000 tons; 1940-41, 945,000 tons; 1941-42, 956,000 tons.

Dairy production to the end of February of this year has decreased by about 7 per cent for last year's figures. The reduction has been mostly in the Auckland Province, where exceptional dry conditions obtained. In the south a good season has been experienced.

Owing to New Zealand's growing importance as a food supplier to the armed forces in the Pacific area, no surplus of pork, bacon, beef or wether mutton is anticipated for the end of the production year (September). It is reported, however, that a considerable carryover of lamb at the end of the season is expected. Efforts are being made to increase bacon and pork production, the reduction in which has been the occasion of some concern. The industry was detrimentally affected by the change-over from butter to cheese production two seasons ago, when pigs were sacrificed in large numbers at a fraction of their cost. Many difficulties confront producers in their efforts to restore the industry to former levels, chief among which are the high prices of feedstuffs and the shortage of labour.

To supplement supplies of meat and dairy produce, market gardening acreage in the Dominion is being extended this year in order to supply as much of the principal vegetables as the forces can take. Canning and preserving plants are being greatly expanded to handle the enormously increased production for export.

The gathering of this season's honey is now practically completed, but yields have been below average in all parts of the Dominion. After the priority demands are filled, it is unlikely that the amount available to the public will be any greater than last year, when there was an acute shortage. Unfavourable weather is largely responsible for the reduction.

According to regulations announced a short time ago, producers this year are required to forward 70 per cent of their crops for distribution under the direction of the Internal Marketing Division. The remaining 30 per cent is for distribution in their own districts. From the 70 per cent will be met priority demands for the armed forces, patriotic parcels, prisoner-of-war parcels, hospitals, chemists, the mercantile marine, and persons having doctors' certificates.



## LARGE-SCALE INDUSTRY IN INDIA

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One rupee is approximately equivalent to \$0.335 Canadian)

Bombay, May 25, 1943.—The All-India Manufacturers Organization, a recently established counterpart of the Canadian Manufacturers Association, has recently completed an unofficial census of large-scale industry in India for the year 1940. For this purpose a large-scale establishment has been defined as an industrial concern with a paid-up capital of Rs.3,000,000 or more. Subsequent studies of Indian industry will be concerned with medium-scale and small-scale enterprises, with paid-up capital of from Rs.100,000 to Rs.3,000,000 and of less than Rs.100,000 respectively.

The statistics given below are entirely unofficial, having been compiled from a variety of sources. No comparable figures have been published by the Indian Government for any recent years. These data, therefore, can only be accepted as generally representative of recent conditions in the larger units of India's more important industries.

Reference to this subject should include particular mention of the fact that India has not as yet reached a high degree of industrialization, also that many of her existing enterprises operate with little capital, limited technical assistance, and in many cases with outdated or inefficient equipment. A considerable expansion in industrial enterprises has, however, been under way for some years and is at present being greatly accelerated by the war. It can be expected, therefore, that later statistics than those quoted in this report will show a marked increase in large-scale industrial enterprise as compared with three years ago.

### NUMBER OF ESTABLISHMENTS

The number of large-scale industrial establishments in India during 1940 has been estimated at 89, distributed among 12 different industries. Thirty of these are cotton mills, twenty-six are jute mills, ten are hydro-electric and electric power supply undertakings, and there are five paper mills and the same number of engineering works. The remainder is made up of from one to three plants engaged in building operations and in the manufacture of sugar, chemicals and oils, cement, rubber, iron and steel, and matches.

### CAPITAL

Capital investment in large-scale industries is estimated at Rs.883,009,000. Hydro-electric power and other electric undertakings, with a capital of Rs.222,774,000, lead all others in this respect, followed by the cotton mills, iron and steel, jute mills, and cement plants. Capital investment per unit is highest in the iron and steel industry, with a figure of Rs.55,000,000, followed by cement with Rs.42,000,000, and the electric power industry with Rs.22,000,000. The average capital invested in plants in other industries is some Rs.7,000,000.

### VALUE OF PRODUCTION

The total value of production of these larger industrial establishments in 1940 is estimated at Rs.1,231,621,000. Almost half of this figure is credited to cotton and jute mills with values of Rs.314,752,000 and Rs.281,898,000 respectively. The value of the output of the iron and steel industry is set at Rs.251,027,000, of engineering works at Rs.145,248,000, and of electric power enterprises at Rs.69,001,000. Individually the iron and steel plants lead all others in respect of production with a value of Rs.80,000,000 per unit. One concern engaged in building construction showed an annual output valued at Rs.34,775,000, while the average output of five engineering works was valued at Rs.29,000,000. Other industrial enterprises recorded annual outputs varying

from Rs.6,000,000 in the case of paper mills to Rs.20,000,000 for cement and rubber manufacturing plants.

There are considerable variations as between the different industries with respect to value of production compared with paid-up capital. In the case of the engineering industry, for example, where paid-up capital per unit is comparatively small and production high, this percentage was recorded as 823. One concern in the building trade recorded a percentage of 484. The jute mills' output was 213 per cent of capital investment and the figure for cotton mills 182. At the other end of the scale the percentage for cement plants and electric power undertakings were 49 and 31 respectively.

### WORKERS AND WAGES

The extent of India's resources in manpower is indicated by statistics of workers in large-scale industry. The 89 plants covered by this review are alone estimated to employ 305,884 workers. The annual wage bill has been computed at Rs.168,581,000, showing an average annual wage of some Rs.550. A large proportion of the total number of workers is employed in the cotton and jute mills, the iron and steel industry, and electric undertakings. Expenditure on wages is correspondingly high in these industries. It is noteworthy also that, in comparison with the low annual wages paid by electric undertakings, match factories, jute mills, and rubber factories, amounting respectively to Rs.264, Rs.284, Rs.327, and Rs.334, yearly wages paid to employees in building construction, engineering establishments, and iron and steel plants averaged Rs.1,890, Rs.1,622, and Rs.1,028.

### PROFITS

Net profits earned by large-scale industries in India during 1940 are estimated at Rs.152,030,000. Of this amount the large proportion of Rs.45,008,000 is credited to the iron and steel industry, the next largest amounts being Rs.27,297,000 earned by cotton mills, Rs.25,964,000 by jute mills, and Rs.21,519,000 by electric power companies. The figures of profits earned by other undertakings are comparatively small.

A comparison of net earnings with capital investment shows that the highest rate (47·05 per cent) was recorded for chemical and oil manufacturing plants, followed by engineering establishments with 41·07 per cent, one plant engaged in the manufacture of rubber goods with 32·32 per cent, and the iron and steel industry with 27·24 per cent. A single concern engaged in building construction, with 26·28 per cent, and several of the larger paper mills, with 22·74 per cent, are next in order.

### SUMMARY

The foregoing aspects of the operation of large-scale industry in India are detailed in the following table:—

#### *Large Scale Factories in India, 1940*

Industries	Establishments No.	Paid up Capital Rs. 1,000	Workers No.	Value of Production Rs. 1,000	Wages Rs. 1,000	Net Profits Rs. 1,000
Cotton mills . . . . .	30	173,301	104,225	314,752	56,852	27,297
Jute mills . . . . .	26	132,535	141,750	281,898	46,369	25,964
Electric power plants .	10	222,774	33,636	69,001	8,896	21,519
Paper mills . . . . .	5	19,678	5,951	30,014	3,293	4,475
Sugar mills . . . . .	3	15,260	1,430	20,923	1,238	3,005
Chemical and oil mills.	2	13,689	1,080	14,431	1,041	644
Building construction .	1	7,189	3,000	34,775	5,670	1,889
Cement factories . . .	2	83,835	5,147	41,030	3,698	5,580
Rubber factories . . .	1	12,000	800	20,026	267	3,878
Iron and steel plants .	3	165,239	35,120	251,023	36,118	45,008
Engineering plants. . .	5	30,489	3,045	145,248	4,939	12,521
Match factories. . . .	1	7,000	700	7,500	200	250
<b>Total. . . . .</b>	<b>89</b>	<b>883,009</b>	<b>305,881</b>	<b>1,231,621</b>	<b>168,581</b>	<b>152,030</b>

## CONDITIONS IN ARGENTINA IN 1942

J. A. STRONG, CANADIAN COMMERCIAL ATTACHÉ

### V—Exports and Imports—Con.

#### DAIRY PRODUCTS

Argentina has been shipping butter to the United Kingdom. The United States was the principal market for Argentine cheese and a large quantity of Continental European types of cheese were sold to that country, particularly during the latter part of 1940 and in 1941. The United States is an important market now for casein also. The output of the Argentine dairy industry was seriously affected by the drought conditions that prevailed throughout the country from October, 1942, to the end of February, 1943. The following table shows the production, home consumption, exports and stocks on hand in recent years:—

#### *Dairy Products Position in Argentina*

	1937-38	1938-39	1939-40	1940-41	1941-42
Butter—	Figures in Short Tons				
Production . . . . .	29,888	34,622	39,854	43,918	48,158
Consumption . . . . .	23,401	25,965	27,540	26,706	32,880
Exports . . . . .	6,067	8,829	14,667	17,195	15,911
Stocks, Dec. 31 . . . . .	1,329	2,031	2,622	974	1,312
Cheese—					
Production . . . . .	40,883	54,296	57,054	63,654	73,983
Consumption . . . . .	37,257	48,910	52,762	53,751	51,766
Exports . . . . .	1,817	2,409	3,459	12,509	9,457
Stocks . . . . .	12,964	14,774	17,755	18,587	16,179
Casein—					
Production . . . . .	18,899	17,873	21,377	25,191	29,112
Exports . . . . .	17,920	17,499	25,773	30,615	27,198
Stocks . . . . .	8,719	9,698	9,902	8,912	4,200

#### GRAIN

Argentine grain-growers have had to contend with many difficulties since the outbreak of the war. The tenant or share-cropper farmer bears the impact of this adverse situation, while the large landowner is prospering. These estancieros are selling their live stock at almost unprecedented prices, and the government-guaranteed price for grain ensures that their share is collected as rent for that part of their land devoted to growing grain.

The following table shows the trends in grain and cotton production in recent years:—

#### *Agricultural Production in Argentina*

	1939-40	1940-41	1941-42	1942-43	5-Yr. Av.
	Thousands of Bushels				
Wheat . . . . .	130,720	290,431	224,114	242,484	248,190
Corn . . . . .	408,465	403,070	350,668	74,803	305,573
Flaxseed . . . . .	42,535	59,842	61,417	62,992	56,678
Oats . . . . .	52,048	34,986	29,182	45,395	42,894
Barley . . . . .	33,349	31,645	16,994	14,697	24,190
Rye . . . . .	14,567	9,461	5,511	7,874	9,865
	Thousands of Tons				
Sunflower seed . . . . .	412	544	737	368	451
Cotton fibre . . . . .	86	55	88	75	73

The comparatively low guaranteed minimum prices to producers of grain that were effective in previous years were continued for the harvest of December,



1942. The total net investment of the Argentine Grain Regulating Board in grain stocks was the equivalent of \$335 million at December 31, 1942, and the total losses through price differences and damage to grain stocks was \$140 million. The operations of the Grain Regulating Board are financed by the semi-official Bank of the Nation. A part of these ordinary advances were funded to the equivalent of \$85 million in Treasury bonds in December, 1941. In 1942 Congress authorized settlement of the remainder of this debt, and the Bank of the Nation received the equivalent of \$250 million in  $2\frac{3}{4}$  per cent Treasury bonds, with a 5 per cent cumulative sinking fund. These bonds may be negotiated, and any price difference is guaranteed by the National Treasury.

The marketing of the wheat crops has not presented a serious problem so far, although the exportable surplus will be considerably larger for 1943 with no improvement in sales' prospects abroad. The Latin American countries together took 35 million bushels in 1940 and 46 million in 1941. Brazil alone purchases from 30 to 35 million bushels annually from Argentina. The United Kingdom purchased 47 million in 1940, but this quantity was more than halved at 22 million in 1941. Spain took 16 to 18 million bushels in each of the years 1940 and 1941 and is now under agreement to take 35 million bushels.

Corn has been virtually unsalable abroad since the outbreak of the war. Argentina produced a total of 1,160 million bushels of corn during the first three years of the war, and normally 80 per cent of the corn production is sold abroad. However this corn surplus did serve a very useful purpose as fuel. The government paid producers the low basic price on the farms and subsequently gave the farmer an option to buy it back for a nominal sum. The result was that corn could be bought for feed or fuel at almost the cost of rail transportation. This huge corn surplus also stimulated pig production. The current corn crop, which has just been harvested, will scarcely meet the seed requirements for the next planting in September, as it was ruined by a serious drought. Prices for the remaining small stocks have nearly trebled in recent weeks. Pig-breeders will suffer from the shortage of supplies of corn.

The market situation for flaxseed has been scarcely any better than for corn. Argentina has produced three more or less normal crops of 60 million bushels in each of the past three successive crop years, but exports have fallen from approximately 50 million bushels in 1938 to only 12 million last year, the United States being the only important buyer. At the beginning of 1943 there was a huge surplus stored, with poor prospects of sales. Flaxseed is being burned in the grain for fuel, and one lot of 40 million bushels has been allocated for conversion to linseed oil for use as fuel. It is proposed to utilize linseed oil to meet 15 per cent of an estimated 50 per cent shortage in fuel oil requirements for 1943.

#### VEGETABLE OILS

There has been a heavy increase in the production and export of vegetable oil seeds and vegetable oils, apart from flaxseed, since the outbreak of war. The principal single item is sunflower-seed oil. There has also been an increase in the production of rapeseed and peanut oils, while cottonseed oil production declined. It was difficult for a time to dispose of the oilcake stocks that formerly went to the dairy countries of Europe, such as Denmark and Holland, but Sweden was a heavy buyer in 1942.

#### COTTON FIBRE

Argentina produces her own requirements in cotton fibre. In 1941 some 25,000 tons were shipped to Spain, but there were no exports in 1942.

## GRAIN

The following table shows Argentine exports of grain for 1938 to 1942:—

*Argentine Exports of Grain and Products*

	Bus.	Bus.	Bus.	Bus.	Bus.
Wheat.....	71,211,065	174,365,983	133,976,194	87,797,000	79,868,000
Corn.....	103,836,495	125,829,394	73,797,608	21,776,000	8,615,000
Flax.....	49,720,395	46,582,702	29,613,760	26,170,000	12,357,000
Oats.....	24,740,316	23,332,446	14,486,323	6,865,000	879,000
Barley.....	9,701,424	11,919,432	17,860,661	4,057,000	3,463
Rye.....	205,578	7,671,284	6,551,719	1,291,257	160,826
	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.
Birdseed.....	172,326	151,294	203,610	299,090	178,318
Other.....	311,784	753,786	4,239,554	42,130	31,950
Total cwts.....	142,297,034	219,571,330	156,142,404	84,579,660	61,942,419
Total value.....	\$195,382	\$230,521	\$177,498	\$85,145	\$76,499
	Bbl.	Bbl.	Bbl.	Bbl.	Bbl.
Wheat flour.....	945,416	1,110,578	796,106	487,631	665,167
	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.
Bran and shorts.....	6,241,906	6,404,992	5,943,674	528,418	163,523
Other mill products.....	2,308,234	2,208,316	1,283,238	296,846	110,074
Oil seeds.....	536,932	1,017,962	1,197,306	787,116	1,605,461
Oil cake.....	2,500,314	2,489,784	1,211,826	1,584,484	1,429,612
Vegetable oil residues.....	1,079,584	890,054	593,054	656,340	712,171
Vegetable oils.....	2,090	37,246	208,054	1,056,330	2,874,438

## MANUFACTURED GOODS

A feature of the current export situation is the increase in the exports of industrial products manufactured in Argentina. In 1942 the value of exports to South Africa reached the equivalent of \$27 million as compared with under \$2 million before the outbreak of war. Corned beef accounted for \$10 million, but the remaining \$17 million comprised a wide range of manufactured goods.

Argentina is now exporting in volume silk and rayon yarns to Colombia, Peru and Bolivia; cordage to Spain; woollen piece-goods to Chile and South Africa; silk piece-goods to Bolivia and Uruguay; canvas to Venezuela, Panama and Chile; vermouth and alcoholic liquors to the United States; woollen blankets to South Africa, Costa Rica, Soviet Russia and Bolivia; cotton stockings to Bolivia, Peru and South Africa; silk stockings to South Africa; felt hats to Colombia; rope-soled shoes to Panama; stoves and ranges to Chile and Bolivia; pumps to Paraguay; writing ink to Colombia and Peru; paints to Bolivia and Panama; soap to Bolivia; stearic acid to Colombia, Cuba and Mexico; tartaric acid to South Africa and Brazil; medicines to Brazil, Colombia and Venezuela; leather goods to Brazil and South Africa; glassware to Chile and Peru; and Portland cement to Brazil, Chile, Bolivia and Paraguay. This is an indication only of the nature and principal direction of this \$77 million export trade from Argentina. Bicycles are one of the latest items of export.

## IMPORT TRADE OF ARGENTINA

In 1942 the arrivals of merchandise in Argentina reached the lowest level recorded in over fifty years. Although resulting from different conditions, the current situation parallels in striking manner that of ten years ago when Argentina was restricting her importations of merchandise to absolute minimum requirements. At that time she was budgeting her resources in order to keep her imports within the capacity of the country to pay for them. Now there is a very limited tonnage of shipping available to carry imports of essential goods and a limited quantity of these essentials available for purchase abroad, even though Argentina now has on hand a huge reserve of gold and foreign exchange to pay for them. Nevertheless the effects on the local situation are similar in many respects in both cases. Argentina is more independent of outside help now than was the case ten years ago, due to the great development of domestic manufacturing industries in the interim, but by the same token the country

will be in the last analysis more vulnerable, due to the dependence of some of these new industries on foreign sources of supply for scarce materials essential to their operation.

Brazil has proven to be an important new source of supply for some of the more important requirements of Argentina, such as lumber, textiles (which formerly came from Japan, Lancashire and the Continent), certain iron and steel and alloys and, in 1941, crude rubber. The excess of Argentine purchases from Brazil last year over sales of wheat and other Argentine products to Brazil, amounting to over \$25 million, offset the surplus that Argentina had accumulated in her interchange for the year with South Africa. Sweden supplied \$32 million worth of newsprint, wood-pulp, sundry papers, and steel products in 1942, and \$11 million worth of silk yarns, dyes, iodine and other pharmaceutical products, watt meters, watches, and a certain amount of machinery came from Switzerland. Chile was the source of supply for copper, India for jute, and Venezuela for petroleum, but for the bulk of the remainder of the essentials Argentina has to depend on the United Kingdom and North America.

The following table shows the principal sources of supply of goods imported into Argentina in recent years:—

*Argentine Imports of Merchandise*

	1938	1939	1940	1941	1942
	Thousands of Dollars				
United Kingdom . . . . .	97,669	98,903	108,358	89,645	77,128
Per cent of total . . . . .	20.1	22.2	21.7	21.0	18.2
United States . . . . .	84,895	73,258	149,887	150,066	132,437
Per cent of total . . . . .	17.4	16.4	30.0	35.3	31.2
Sub-total . . . . .	182,564	172,161	258,245	239,711	209,565
Per cent of total . . . . .	37.5	38.6	51.7	56.3	49.4
Europe—					
Sweden . . . . .	6,325	7,743	4,933	6,636	32,411
Switzerland . . . . .	5,726	6,590	5,985	8,041	11,353
Spain . . . . .	2,722	1,911	2,540	2,291	5,376
Portugal . . . . .	952	1,132	3,178	1,355	2,772
Sub-total . . . . .	15,725	17,376	16,636	18,323	51,914
Per cent of total . . . . .	3.2	3.9	3.3	4.3	12.2
Occupied Europe—					
Per cent of total . . . . .	29.8	31.6	10.9	2.1	0.7
Other American—					
Brazil . . . . .	25,021	31,149	37,829	46,772	75,459
Chile . . . . .	2,358	2,279	4,328	8,277	12,489
Other . . . . .	12,448	11,664	31,193	24,904	32,000
Sub-total . . . . .	39,827	45,092	63,350	79,953	110,948
Per cent of total . . . . .	8.2	10.1	12.7	18.8	26.1
Crude oil, L.A. . . . .	29,788	26,713	49,191	33,999	17,128
Per cent of total . . . . .	6.1	6.0	9.8	8.0	4.0
Others—					
Japan . . . . .	18,161	3,977	12,420	12,806	458
India . . . . .	16,945	18,859	24,118	19,730	21,387
All others . . . . .	38,768	20,969	21,297	12,013	10,320
Total . . . . .	486,962	446,111	499,586	425,551	424,716

## PERUVIAN PHARMACEUTICAL CONGRESS AND EXHIBITION

W. G. STARK, ACTING TRADE COMMISSIONER

Lima, June 22, 1943.—The first combined Peruvian Pharmaceutical Congress and Exhibition was held in Lima from May 24 to 29, 1943.

The pharmaceutical industry of Peru has been developing steadily over the past twenty years. The first laboratories, established in the early 1920's, have now become large and rapidly expanding industries. With the outbreak of the war and the consequent cutting-off of certain supplies, local industries have become more dependent than heretofore on ingredients and products of



domestic manufacture. Toilet articles, including soaps and perfumes, and all simple remedies are now available in attractive packages at prices that bring a good return to the manufacturers. These products compete with imported articles, which, however, are preferred by the wealthier classes who are in a position to pay the higher prices. With the assistance of some foreign chemists, more complex medicaments of domestic manufacture are now also entering the market. It has been estimated that the national pharmaceutical industry has reached the stage where it can supply 80 per cent of all medicines used in the country.

The exhibition of pharmaceutical products was held at the Lima Municipal Palace, the chief manufacturing firms participating. The President of the Republic, various members of his Cabinet, high ranking public health officers, and other well-known persons attended the opening. Chief among the visitors were persons interested in the pharmaceutical trade, but it was open to the general public also.

The first Peruvian Pharmaceutical Congress was held at the same time. At the conclusion of the Congress, various resolutions were approved. These dealt with the necessity for the establishment of a Peruvian Pharmaceutical Register in place of the French and United States registers now being used, the creation of a Pharmaceutical Faculty in one of the universities, and the development of the national production of raw materials for use by the domestic pharmaceutical laboratories.

## FOREIGN TRADE OF CHILE IN 1941

M. J. VECHSLER, CANADIAN COMMERCIAL ATTACHÉ

### II. Principal Imports of Interest to Canada—*Con.*

(Values are in Chilean pesos of 6d. gold; one metric ton equals 2,204 pounds; one kilo equals 2.2 pounds; one quintal equals 220 pounds)

Following is a statistical summary of additional imports into Chile in 1941, showing for each item the total imports in that year, with comparative figures for 1940 within parentheses, and the principal sources of supply:—

#### PRODUCTS OF THE CHEMICAL INDUSTRIES

##### CHEMICAL PRODUCTS

*Acetic Acid*.—Total imports, 8,756 kilos, 15,699 pesos (25,924 kilos, 29,261 pesos): United States, 8,537 kilos (15,419 pesos); the United Kingdom supplying the remainder.

*Citric Acid*.—Total imports, 98,543 kilos, 263,339 pesos (201,010 kilos, 489,925 pesos): United States, 98,229 kilos (265,055 pesos).

*Tartaric Acid*.—Total imports, 5,297 kilos, 25,242 pesos (1,550 kilos, 5,067 pesos): Argentina, 2,827 kilos (20,598 pesos); United States, 2,342 kilos (4,068 pesos); Canada, 114 kilos (475 pesos).

*Codeine, Quinine, etc., Not Specified*.—Total imports, 1,498,050 grammes, 644,737 pesos (1,394,462 grammes, 307,799 pesos): United States, 1,080,103 grammes (359,994 pesos); Germany, 91,987 grammes (172,248 pesos); United Kingdom, 258,355 grammes (68,430 pesos).

*Caffeine*.—Total imports, 3,951,663 grammes, 253,521 pesos (2,350,716 grammes, 55,313 pesos): Brazil, 3,200,000 grammes (217,073 pesos); United States, 458,163 grammes (23,051 pesos).

*Sulphate of Aluminum*.—Total imports, 51,391 kilos, 12,531 pesos (10,949 kilos, 7,259 pesos): United States, 50,637 kilos (11,990 pesos).

*Ammonia Chloride.*—Total imports, 576,978 kilos, 229,431 pesos (666,697 kilos, 224,278 pesos): United Kingdom, 551,727 kilos (212,541 pesos); the remainder coming from the United States.

*Ammonia Nitrate.*—Total imports, 1,393,363 kilos, 1,331,447 pesos (2,141,581 kilos, 721,893 pesos): United States, 2,378,746 kilos (1,324,576 pesos).

*Bismuth, Not Specified.*—Total imports, 1,547 kilos, 30,983 pesos (2,606 kilos, 48,823 pesos): United States, 1,437 kilos (28,554 pesos); Canada, 23 kilos (400 pesos).

*Cresol.*—Total imports, 910,743 kilos, 644,652 pesos (815,431 kilos, 397,170 pesos): United States, 779,356 kilos (564,422 pesos); United Kingdom, 131,385 kilos (80,220 pesos).

*Sodium Bicarbonate.*—Total imports, 758,969 kilos, 210,296 pesos (603,282 kilos, 129,664 pesos): United States, 461,457 kilos (131,120 pesos); United Kingdom, 297,126 kilos (78,134 pesos).

*Soda Ash.*—Total imports, 4,514,630 kilos, 934,253 pesos (4,708,578 kilos, 732,422 pesos): United Kingdom, 3,139,945 kilos (607,253 pesos); United States, 1,374,685 kilos (327,000 pesos).

*Caustic Soda.*—Total imports, 2,968,854 kilos, 982,444 pesos (1,789,056 kilos, 507,378 pesos): United States, 1,789,837 kilos (605,181 pesos); United Kingdom, 1,179,017 kilos (377,263 pesos).

*Chemical Products, Simple or Compound, Mineral or Organic, not Specified.*—Total imports were valued at 1,550,251 pesos (1,282,602 pesos): United States, 1,246,217 pesos; Germany, 161,458 pesos; United Kingdom, 72,192 pesos; Canada, 470 pesos.

*Gases for Medicinal Use, Prepared or Not.*—Total imports, 61,980 kilos, 331,644 pesos (56,956 kilos, 301,648 pesos): United States, 59,130 kilos (310,472 pesos).

*Hypodermic Injections, Not Specified, in Ampoules.*—Total imports, 13,241 kilos, 753,404 pesos (7,855 kilos, 519,323 pesos): Argentina, 2,483 kilos (213,212 pesos); United States, 1,895 kilos (138,227 pesos); Switzerland, 3,054 kilos (129,274 pesos); Canada, 183 kilos (11,138 pesos).

*Medicaments, Not Specified, in Pill Form.*—Total imports, 11,615 kilos, 427,285 pesos (20,170 kilos, 1,138,829 pesos): United States, 5,123 kilos (172,785 pesos); Switzerland, 2,878 kilos (133,010 pesos).

*Powders and Preparations, Not Specified, against Parasites, Insects, and Rodents.*—Total imports, 352,325 kilos, 411,518 pesos (302,425 kilos, 412,344 pesos): United Kingdom, 162,490 kilos (212,492 pesos); Argentina, 131,803 kilos (131,482 pesos); United States, 56,783 kilos (66,073 pesos).

*Pharmaceutical Products and Mixtures of Chemical Products for the Manufacture of Pharmaceutical Products.*—Total imports, 29,016 kilos, 331,773 pesos (11,350 kilos, 101,305 pesos): United States, 19,804 kilos (247,536 pesos); Argentina, 6,296 kilos (29,061 pesos).

*Fulminants and Detonators for Explosives.*—Total imports, 62,941 kilos, 845,735 pesos (139,169 kilos, 1,837,891 pesos); United States was the sole supplier.

*Leaders and Fuses for Mines.*—Total imports, 149,796 kilos, 823,873 pesos (226,779 kilos, 813,512 pesos): United States, 130,054 kilos (767,535 pesos).

#### BITUMENS, RESINS, GREASES AND INDUSTRIAL OILS

*Linseed Oil, Cooked, Pure or Mixed with Dissolvents.*—Total imports, 228,678 kilos, 229,514 pesos (289,887 kilos, 291,936 pesos): United Kingdom, 136,576 kilos (139,186 pesos); United States, 66,625 kilos (70,172 pesos); Argentina, 25,477 kilos (20,156 pesos).

*Spirits of Turpentine.*—Total imports, 1,513,275 kilos, 1,076,952 pesos (7,871 kilos, 10,222 pesos): United States, 1,398,430 kilos (941,496 pesos); Spain, 104,920 kilos (109,471 pesos).

*Pine Resin.*—Total imports, 36,384 quintals, 1,183,727 pesos (40,667 quintals, 792,049 pesos): United States, 35,356 quintals (1,148,878 pesos).

*Paraffin, Solid.*—Total imports, 5,629,991 kilos, 2,962,841 pesos (7,423,736 kilos, 5,156,405 pesos): United States, 3,394,705 kilos (1,703,430 pesos); United Kingdom, 2,235,072 kilos (1,258,876 pesos).

#### PAINTS, VARNISHES, INKS AND COLOURS

*Aniline.*—Total imports, 292,495 kilos, 2,984,127 pesos (417,478 kilos, 4,615,641 pesos): United States, 190,262 kilos (1,739,970 pesos); France, 41,484 kilos (412,105 pesos); Germany, 31,603 kilos (366,267 pesos).

*Varnishes, not Specified.*—Total imports, 54,255 kilos, 168,329 pesos (36,894 kilos, 93,754 pesos): United States, 46,670 kilos (139,744 pesos).

*Zinc, White, with Less than 98 Per Cent Zinc Oxide.*—Total imports, 335,603 kilos, 301,183 pesos (208,427 kilos, 162,972 pesos): United States, 314,984 kilos (285,412 pesos).

*Lithopone.*—Total imports, 1,314,873 kilos, 679,016 pesos (962,891 kilos, 485,129 pesos): United States, 1,298,644 kilos (667,824 pesos).

*Colours for Paint, excepting Those of Coal Origin.*—Total imports, 170,578 kilos, 250,701 pesos (186,615 kilos, 260,466 pesos): United States, 141,754 kilos (213,083 pesos).

*Paints, Prepared, Liquid, Water or Oil, Turpentine or Driers.*—Total imports, 133,223 kilos, 227,325 pesos (152,433 kilos, 241,059 pesos): United States, 120,312 kilos (213,319 pesos).

*Enamel Paints.*—Total imports, 104,194 kilos, 352,066 pesos (76,127 kilos, 237,003 pesos): United States, 102,855 kilos (346,650 pesos).

*Printing Inks.*—Total imports, 436,824 kilos, 835,641 pesos (371,787 kilos, 724,818 pesos): United States, 407,766 kilos (710,629 pesos).

*Typewriter Ribbons.*—Total imports, 6,947 kilos, 149,080 pesos (7,007 kilos, 160,450 pesos): United States, 5,392 kilos (119,656 pesos).

#### OTHER CHEMICAL AND INDUSTRIAL PRODUCTS

*Cresylic Acid.*—Total imports, 2,443 quintals, 440,510 pesos (2,327 quintals, 402,498 pesos); all from the United States.

*Egg Yolk for Tanners.*—Total imports, 39,947 kilos, 40,167 pesos (14,342 kilos, 25,539 pesos): China and the United Kingdom were the principal suppliers.

*Calcium Carbide.*—Total imports, 9,144 quintals, 414,391 pesos (30,355 quintals, 1,342,788 pesos): United States, 7,874 quintals (355,426 pesos); Canada, 1,270 quintals (58,965 pesos).

*Acetate of "Linolin", Etc., and Others not Specified.*—Total imports, 49,619 kilos, 1,991,856 pesos (43,678 kilos, 1,189,808 pesos): United States, 32,039 kilos (1,427,217 pesos).

*Galalith and Similar Products, in Bars or Powder; Bakelite in Grains; Celluloid and Similar Products in Sheets and Plates.*—Total imports, 89,182 kilos, 372,459 pesos (62,441 kilos, 211,519 pesos): Japan, 54,781 kilos (204,154 pesos); United Kingdom, 22,865 kilos (121,628 pesos).

*Mouldrite, Bakelite Composition, Mineral Substances and Colouring Pigments, in Powder.*—Total imports, 149,504 kilos, 349,956 pesos (106,198 kilos, 285,352 pesos): United States, 122,667 kilos (280,639 pesos); United Kingdom, 26,837 kilos (69,317 pesos).



*Pulp, Mechanical, not Dyed, for the Manufacture of Paper; Chemical Pulp, not Dyed, for the Manufacture of Paper; and Cellulose Wastes.*—Total imports, 206,862 quintals, 7,991,265 pesos (176,869 quintals, 5,683,597 pesos): United States, 132,801 quintals (5,132,179 pesos); United Kingdom, 45,480 quintals (1,790,518 pesos); the remainder originated in Sweden and the Philippines.

## METALLURGICAL INDUSTRIES

### IRON AND STEEL

*Posts of Iron or Steel, not Further Worked than Laminated.*—Total imports, 1,125,688 kilos, 564,920 pesos (3,971,235 kilos, 1,487,944 pesos): United States, 1,069,260 kilos (498,423 pesos).

*Iron or Steel Laminated, in Various Forms, Weighing Less than 10 Kilos per Lineal Metre.*—Total imports, 7,333,811 kilos, 2,737,828 pesos (3,226,047 kilos, 1,056,150 pesos): United States, 7,185,846 kilos (2,691,880 pesos).

*Iron or Steel, in Round Bars, Weighing Less than 30 Kilos per Lineal Metre.*—Total imports, 6,441,641 kilos, 2,316,096 pesos (8,177,875 kilos, 2,722,715 pesos): United States, 5,810,884 kilos (2,092,731 pesos).

*Iron or Steel, Laminated, in Bars or other Forms, Weighing Over 30 Kilos per Lineal Metre.*—Total imports, 4,972,211 kilos, 1,803,630 pesos (3,245,437 kilos, 998,817 pesos): United States, 4,967,372 kilos (1,801,021 pesos).

*Iron or Steel, Laminated in Other Forms, Weighing over 30 Kilos per Lineal Metre.*—Total imports, 2,469,245 kilos, 1,161,821 pesos (12,401,224 kilos, 4,443,186 pesos): United States, 2,419,804 kilos (1,146,172 pesos).

*Alloys of Nickel Iron and of Chrome Iron (with less than 30 per cent of Those Metals) in Bars of any Length.*—Total imports, 98,487 kilos, 85,365 pesos (89,881 kilos, 87,806 pesos): United States, 92,726 kilos (71,586 pesos); Sweden, 4,985 kilos (12,695 pesos).

*Iron or Steel in Sheets, Plain, Rectangular Surfaces over 1 Metre Square and over One-half Metre Wide, not Tinned or Galvanized.*—Total imports, 12,062,816 kilos, 4,734,259 pesos (21,153,833 kilos, 7,584,163 pesos): United States, 12,012,677 kilos (4,712,866 pesos).

*Iron or Steel in Sheets, Bars, Etc., in any Form, even arriving with Red Lead.*—Total imports, 1,285,282 kilos, 733,107 pesos: United States, 1,277,823 kilos (708,645 pesos).

*Tinplate, Ordinary.*—Total imports, 8,448,984 kilos, 5,008,851 pesos (11,311,801 kilos, 6,389,878 pesos): United States, 8,217,702 kilos (4,813,664 pesos).

### OTHER METALS LAMINATED OR FORGED AND THEIR ALLOYS

*Aluminum, Pure or not, in Bars and in Sheets, not Specified.*—Total imports, 40,996 kilos, 159,126 pesos (93,881 kilos, 405,937 pesos): Uruguay, 23,030 kilos (84,683 pesos); United States, 11,777 kilos (48,426 pesos); the remainder coming from Switzerland and Argentina.

*Nickel in Bars and Sheets and "Alpaca" in Sheets.*—Total imports, 2,761 kilos, 11,872 pesos (1,688 kilos, 34,365 pesos): United States, 2,627 kilos (11,114 pesos).

*Lead, Pure or not, in Bars and Sheets.*—Total imports, 357,183 kilos, 248,357 pesos (331,496 kilos, 191,601 pesos): United States, 349,493 kilos (242,141 pesos).

*Zinc, Pure or not, in Bars and Sheets.*—Total imports, 137,721 kilos, 237,959 pesos (249,591 kilos, 278,906 pesos): United States, 130,281 kilos (225,399 pesos).

## METALLIC MATERIALS FOR VARIOUS USES

*Barbed Wire, Galvanized or covered with Metallic Caps.*—Total imports, 2,084,292 kilos, 992,761 pesos (2,143,022 kilos, 924,612 pesos): United States, 2,083,832 kilos (992,024 pesos).

*Plain Iron Wire, not Galvanized or Covered with Other Metals.*—Total imports, 8,482,182 kilos, 3,385,047 pesos (6,530,070 kilos, 2,739,419 pesos): United States, 5,685,460 kilos (2,351,037 pesos); Spain, 2,791,401 kilos (1,031,057 pesos).

*Nail Wire.*—Total imports, 2,491,057 kilos, 1,006,195 pesos (5,603,879 kilos, 2,134,267 pesos): United States, 2,381,427 kilos (962,759 pesos).

*Plain Iron Wire, Galvanized or Re-covered with Metallic Coverings, not Lined.*—Total imports, 3,438,753 kilos, 2,109,547 pesos (3,961,948 kilos, 1,978,150 pesos): United States, 3,329,913 kilos (2,008,298 pesos).

## ARTICLES OF IRON OR STEEL

*Locks of Any Material.*—Total imports, 29,254 kilos, 160,179 pesos (21,796 kilos, 108,916 pesos): United States, 24,866 kilos (143,411 pesos).

*Kitchen Utensils, not Specified.*—Total imports, 57,286 kilos, 244,646 pesos (18,248 kilos, 79,001 pesos): United States, 49,192 kilos (194,788 pesos).

*Lanterns.*—Total imports, 17,051 kilos, 128,847 pesos (10,976 kilos, 63,482 pesos): United States, 11,271 kilos (88,477 pesos); Japan, 4,651 kilos (33,962 pesos).

*Cash Registers and Automatic Sales Machines.*—Total imports, 23,753 kilos, 392,827 pesos (16,032 kilos, 258,017 pesos): United States, 23,342 kilos (386,904 pesos).

*Cutlery.*—Total imports, 75,540 kilos, 443,899 pesos (56,366 kilos, 284,029 pesos): Japan, 33,713 kilos (163,260 pesos): United States, 21,434 kilos (124,962 pesos); Brazil, 16,129 kilos (109,177 pesos).

*Enamelled Ware.*—Total imports, 45,002 kilos, 131,511 pesos (56,081 kilos, 149,230 pesos): United States, 31,648 kilos (67,305 pesos); United Kingdom, 11,553 kilos (27,898 pesos); Argentina, 8,989 kilos (32,197 pesos).

*Wire Goods, not Specified.*—Total imports, 59,079 kilos, 246,755 pesos (136,189 pesos): United States, 52,921 kilos (220,451 pesos).

*Articles of Iron, not Specified, Whose Weight does not Exceed One Kilo.*—Total imports, 239,852 kilos, 734,864 pesos (164,525 kilos, 387,890 pesos): United States, 180,179 kilos (620,506 pesos).

*Articles of Iron, not Specified, Weighing from One to Ten Kilos.*—Total imports, 221,396 kilos, 308,491 pesos (89,730 kilos, 213,500 pesos): United States, 206,570 kilos (276,052 pesos).

*Baths, etc., of Forged Iron, Enamelled or not.*—Total imports, 1,081,476 kilos, 1,162,475 pesos (1,074,905 kilos, 1,004,741 pesos): United States, 378,748 kilos (525,867 pesos); United Kingdom, 515,931 kilos (494,195 pesos); Brazil, 110,069 kilos (88,187 pesos).

*Lavatories, Washbasins, etc., Enamelled or not.*—Total imports, 517,472 kilos, 633,516 pesos (348,325 kilos, 419,323 pesos): United States, 427,467 kilos (562,213 pesos); Argentina, 65,104 kilos (49,000 pesos); Brazil, 24,411 kilos (20,845 pesos).

*Barrels, Drums and Tanks of Iron, in Any Form.*—Total imports, 322,592 pesos (394,647 pesos): United States, 314,041 pesos.

*Wire Cable or Rope.*—Total imports, 77,800 kilos, 1,190,606 pesos (1,241,095 kilos, 1,301,098 pesos): United States, 698,391 kilos (1,080,805 pesos); Canada, 56,167 kilos (78,316 pesos).

*Chains, with Links of over 40 mm. Circumference.*—Total imports, 298,885 kilos, 412,270 pesos (101,806 kilos, 117,997 pesos): United States, 282,581 kilos (395,175 pesos).

*Piping or Tubing, of Forged Iron, less than 75 mms. and, for Potable Water, of 75 mm. or over.*—Total imports, 9,600,993 kilos, 6,445,441 pesos (6,083,566 kilos, 3,829,716 pesos): United States, 8,630,612 kilos (5,727,453 pesos).

*Piping or Tubing of Wrought Iron, not Specified.*—Total imports, 1,827,477 kilos, 616,805 pesos (3,780,031 kilos, 963,089 pesos): United States, 1,199,035 kilos (441,420 pesos).

*Door Locks, Yale Type, etc., and Similar Locks.*—Total imports, 29,352 kilos, 206,553 pesos (15,879 kilos, 94,686 pesos): United States, 26,960 kilos (189,681 pesos).

*Other Locks, not Specified.*—Total imports, 56,118 kilos, 202,268 pesos (36,071 kilos, 97,546 pesos): United States, 43,104 kilos (160,628 pesos; Spain, 10,444 kilos (33,228 pesos).

*Trunk, Suitcase and Furniture Locks.*—Total imports, 43,455 kilos, 255,380 pesos (9,342 kilos, 52,352 pesos): United States, 23,381 kilos (144,634 pesos). Other supplying countries were Brazil, Spain, Japan, Argentina, and the United Kingdom.

*Wire Cloth.*—Total imports, 433,280 kilos, 574,427 pesos (299,093 kilos, 407,600 pesos): United States, 388,765 kilos (495,803 pesos).

*Coal, Wood and Gas Stoves, Heaters, etc.*—Total imports, 120,417 kilos, 239,435 pesos (126,010 kilos, 143,268 pesos): United States, 78,900 kilos (168,864 pesos); United Kingdom, 30,605 kilos (40,668 pesos); Argentina, 9,684 kilos (21,491 pesos).

*Electric Stoves, Heaters, Cookers, etc.*—Total imports, 116,094 kilos, 342,584 pesos (57,785 kilos, 161,548 pesos): United States, 95,994 kilos (271,494 pesos); Argentina, 17,685 kilos (57,810 pesos).

*Horseshoe Nails.*—Total imports, 350,937 kilos, 364,265 pesos (188,996 kilos, 197,644 pesos): United States, 227,472 kilos (240,742 pesos); Sweden, 121,035 kilos (120,427 pesos).

*Razor Blades.*—Total imports, 902,517 dozen, 486,470 pesos (515,081 dozen, 306,672 pesos): United States, 750,171 dozen (430,064 pesos); Brazil, 137,558 dozen (44,598 pesos).

*Keys and Valves for Any Use, even Containing Interior Pieces of Bronze, and Their Repair Parts.*—Total imports, 68,670 kilos, 249,071 pesos (83,341 kilos, 304,343 pesos): United States, 54,983 kilos (217,612 pesos); United Kingdom, 11,794 kilos (26,578 pesos).

*Water Meters and Parts.*—Total imports, 3,395 kilos, 26,696 pesos (10,706 kilos, 65,061 pesos): United States, 3,010 kilos (25,797 pesos).

*Central Heating Radiators for Steam or Hot Water.*—Total imports, 868,682 kilos, 489,738 pesos (697,361 kilos, 463,197 pesos): United States, 784,216 kilos (532,111 pesos); United Kingdom, 79,934 kilos (55,908 pesos).

*Ball Bearings.*—Total imports, 98,348 kilos, 876,612 pesos (85,401 kilos, 648,626 pesos): United States, 40,295 kilos (461,304 pesos); Sweden, 55,722 kilos (385,153 pesos).

*Screws, Bolts, Nuts.*—Total imports, 477,157 kilos, 932,855 pesos (409,347 kilos, 682,891 pesos): United States, 445,738 kilos (834,012 pesos).



## CONTROL OF FARM MACHINERY IN THE UNITED KINGDOM

*From the Times Trade and Engineering*

During the past four years very large additions have been made to the farm machinery on the land, the increase in the number of tractors alone being from 54,000 in June, 1939, to well over 120,000 in the spring of this year. The period for providing farmers with initial equipment to tackle their wartime production "targets" is now ending, and the Ministry of Agriculture, in announcing a new order controlling a further wide range of farm machinery, asks farmers not to order more machines unless it is absolutely necessary. From now onwards the first task, the Ministry says, must be to provide the enormously increased quantity of spare parts required to keep all the existing machines in running order, and this will make increasing calls on manpower as the average age of tractors and machinery generally increases. The Ministry and the Department of Agriculture for Scotland have secured powers to regulate manufacturers' output, fix prices, and prohibit the sale of any particular class of machinery except to farmers whose applications have been approved. Retailers, other than those who sell spare parts only, must secure a separate licence for each shop or premises at which they carry on business and are debarred from selling certain types of machinery or implements except against a certificate issued to a farmer by the War Agricultural Executive Committee. The object of these orders is to ensure that the labour and materials for the manufacture of agricultural machinery are used to the best advantage and that the machinery provided is put into the hands of those who need it most.

## SHARING WORLD TRADE

*From the British Export Gazette*

The sharing of export trade by agreement was discussed by Sir Samuel Turner, Chairman of Messrs. Turner and Newall, and Deputy Chairman of the District Bank, at a meeting of the Industrial Company Partnership Association held in London recently.

Describing how the scheme of the World Trade Alliance Association could be operated, Sir Samuel said that the essential principles were a sharing of international trade in the chief foodstuffs, raw materials and the key products of industry by agreement between exporting countries at stable prices agreed between them and the importing countries; and that the countries should balance their total exports and imports over agreed short periods and encourage their industries so to organize themselves as to be able to offer continuous full-time employment. It was suggested, he continued, that rather than have unemployment, the cost of which had been stupendous in the years between the two great wars, industries should be allowed to produce surpluses, the nature of which would have to be determined. Such surpluses would be absorbed by an organization set up by the governments and used on lend-lease principles or otherwise to fertilize development in backward countries such as China or their own colonies. It was proposed that the United Nations, or the principal ones, might form a nucleus of nations and that afterwards the countries of Europe, for which so much would have to be done by the United Nations, would be willing to participate. The first step would be that the governments should decide that trade in certain commodities must be done on a sharing basis between their nationals. Probably a start would be made with key products

Each industry participating, Sir Samuel went on, would have to act as an organic entity in negotiating with its opposite numbers in other producing countries, and world prices would be fixed in consultation with the principal

importing industries. Each industry would have an employers' federation representing all engaged in it and thus be capable of negotiating percentage shares, prices, etc. The terms of agreement reached would be submitted to the governments concerned for ratification. If governments whose nationals were called upon to trade with one another on a sharing basis decided that balances must be maintained, this could be done by establishing a sole source of foreign exchange from which alone their currencies could be obtained. This amounted to the establishment of a clearing house for foreign exchange, and it would be one of its functions to agree upon and maintain for periods the relative values of all the currencies involved. The purpose of thus regulating foreign trade, added the speaker, was to increase world consumption and to stimulate an unimpeded international flow of commodities in the degree necessary to render practicable full employment of all available labour in the participating countries. The appropriate machinery would be a central organization which would constitute a series of export product committees. The Trade Union Congress, Sir Samuel Turner concluded, was behind the scheme, and he was certain that the Labour Party would adopt it as part of their post-war reconstruction scheme.

## CONTROL OF EXPORTS FROM CANADA

### REGULATIONS AMENDED

By Export Permit Branch Order No. 73, effective July 12, 1943, the exemption from requiring an export permit for shipment of eggs for hatching to any part of the British Empire or the United States is cancelled, so that eggs for hatching will require an export permit for shipment from Canada to any destination.

## TARIFF CHANGES AND TRADE REGULATIONS

### New Zealand

#### IMPORT CONTROL REGULATIONS CHANGED

Mr. C. B. Birkett, Acting Trade Commissioner at Auckland, reports that a memorandum issued by the New Zealand Department of Customs on May 31, 1943, announces that during 1943 additional licences for imports of gluten flour into New Zealand from all sources may be granted to the extent of 25 per cent of amounts of licences granted in 1942. Another memorandum states that unspecified round unworked logs will be regarded as a "control" item and that any further applications for licences will be considered individually.

### Australia

#### IMPORT QUOTA FOR CORSET BUSKS AND STEELS INCREASED

Mr. K. F. Noble, Acting Trade Commissioner at Sydney, writes that the Division of Import Procurement of the Australian Department of Trade and Customs issued instructions on May 22, 1943, that during the current licensing period licences for the importation of corset busks and steels of Canadian and United States origin may be issued to the value of one-half, instead of one-quarter, of an applicant's total imports of similar goods during the base year 1938-39.

### Fiji

#### DUTIES INCREASED ON SPIRITS AND TOBACCO

Mr. C. B. Birkett, Acting Trade Commissioner at Auckland, writes that the *Fiji Royal Gazette* of May 18, 1943, announces increased import duties in Fiji on spirits and tobacco. The duties on spirits and spirituous mixtures of a

strength exceeding 20 per cent proof spirit but not exceeding proof, on drugs and medicines containing more than 20 per cent proof spirit, and on perfumed spirits and scented waters are increased from 36s. to 42s. per liquid gallon under the British preferential tariff and from 49s. to 55s. per liquid gallon under the general tariff. There are additional duties of 10 per cent and 25 per cent ad valorem, respectively, on perfumed spirits and scented waters, with a proviso that the total rates shall not be less than 25 per cent and 50 per cent respectively. On spirits and spirituous mixtures exceeding the strength of proof the rates are increased from 36s. to 42s. per proof gallon under the British preferential tariff and from 49s. to 55s. per proof gallon under the general tariff. Duties are also increased on ale, beer and wine.

Duties on manufactured tobacco, formerly 9s. 8d. per pound under the British preferential tariff and 13s. 2d. under the general tariff, are now 14s. 8d. and 18s. 2d. respectively. Cigarettes, formerly dutiable at 11s. and 15s. per pound respectively, are now subject to rates of 16s. and 20s., respectively. On cigars the former rates of 12s. and 16s. 6d. per pound, respectively, have been increased to 17s. and 21s. 6d.

### Egypt

#### REGULATIONS AFFECTING THE IMPORTATION AND SALE OF SOAP

With reference to the notice published in *Commercial Intelligence Journal* No. 2032 (January 9, 1943), page 36, concerning the importation and sale of soap in Egypt, supplementary information has been received from the Canadian Trade Commissioner's Office in Cairo under date May 19, 1943, to the effect that a decree which went into force as from July 25, 1942, contains the following clauses: Clause I, the weight and also the class of soap will hereafter be set down in Arabic characters the dimension of which shall be not less than one centimetre in height; Clause II, the class of soap known as "No. 1", manufactured in the shape of the "Marseille" quality, may also be followed by "72 per cent"; Clause III, soap manufacturers and also wholesale dealers and retailers whose merchandise does not comply with specifications and conditions set forth by a decree dated June 22, 1942, shall dispose of their stocks within three months of the date of publication of this decree.

### CHILEAN EXCHANGE RATES

#### M. J. VECHSLER, CANADIAN COMMERCIAL ATTACHÉ

Santiago, June 22, 1943.—There are three rates of exchange in effect in Chile: the official rate, the export rate, and what is known as the D. P. rate (divisas propias). The export rate is fixed at 25 Chilean pesos and the D. P. rate at 31 pesos to the United States dollar.

The rates in effect at time of writing, as indicated by the National Foreign Trade Council, of which the Exchange Control Commission forms a part, are as shown in the table below and are in effect for importations from countries in the sterling and dollar areas; the percentages shown in the table indicate the proportion of exchange available for imports at the respective rates:—

	Export Rate (25 Pesos) Percentage	D. P. Rate (31 Pesos) Percentage
Sugar (except freight) . . . . .	100	..
Chilean Electric Co. (up to U.S. \$30,000 monthly) . . . . .	100	..
Chilean Telephone Co., telephone material (up to U.S. \$30,000 monthly) . . . . .	100	..
Drugs and specifics . . . . .	100	..
Cotton thread (sewing) . . . . .	100	..
Newsprint and wood-pulp . . . . .	100	..
Jute burlap . . . . .	75	25
Metallurgical coke . . . . .	75	25
Poncho cloth . . . . .	75	25
Cotton yarn . . . . .	75	25



*Chilean Exchange Rates—Conc.*

	Export Rate (25 Pesos) Percentage	D. P. Rate (31 Pesos) Percentage
Tinplate . . . . .	75	25
Paraffin . . . . .	75	25
Bags of jute and hennequin . . . . .	75	25
Tea . . . . .	75	25
Wool fabrics . . . . .	75	25
Sheetings and osnaburgs . . . . .	75	25
Jute . . . . .	75	25
Raw cotton . . . . .	65	35
Mineral oils for industrial use . . . . .	60	40
Gasoline . . . . .	60	40
Lubricants . . . . .	60	40
Petroleum, crude and diesel . . . . .	60	40
Asbestos . . . . .	50	50
State railways, railway material . . . . .	50	50
Travelling expenses, insurance, dividends, profits, remittances for help or of any other kind, freights, except in special cases that require the agreement of the Council . . . . .	..	100
Other merchandise . . . . .	..	100

**FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JULY 12, 1943**

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, July 12, 1943, and for the week ending Monday, July 5, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending July 5	Nominal Quotations in Montreal Week ending July 12	Official Bank Rate
Great Britain. . . . . Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. . . . . Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico . . . . . Peso	.4985	.2284	.2284	4
Jamaica . . . . . Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. . . . . Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2786	.2788	—
Brazil. . . . . Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana . . . . . Dollar	1.0138	.9313	.9313	—
Chile . . . . . Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. . . . . Peso	.9733	.6358	.6358	4
Venezuela . . . . . Bolivar	.1930	.3330	.3330	—
Uruguay. . . . . Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5870	.5870	—
South Africa. . . . . Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India. . . . . Rupee	.3650	.3359	.3359	3
Australia . . . . . Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. . . . . Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**



# Commercial Intelligence Journal

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## UNITED STATES CEILING PRICES FOR FRESH FISH AND SEAFOOD

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

New York, July 12, 1943.—The establishment of ceiling prices on frozen fish in the United States by the Office of Price Administration was reported in *Commercial Intelligence Journal* No. 2048 (May 1, 1943), page 358. Other processed fish have been subject to individual maximum prices based on March, 1942, levels. A new regulation now brings most fresh fish under specific dollar-and-cents ceilings for sales by both producers and wholesalers. This Maximum Price Regulation (No. 418) becomes effective July 13.

### FISH AND SEAFOODS AFFECTED

The new regulation covers the principal types of fresh fish caught in the New England and Middle Atlantic areas and the more important fish taken on the Pacific Coast, including the following:—

*Atlantic Coast:* Alewives, codfish, cusk, blackback, sea dab, yellowtail, haddock, hake, herring, pollock, rosefish, sole, whiting, wolffish, and swordfish.

*Pacific Coast:* Flounder, halibut, sablefish, salmon, smelt, sole, tuna, bonita and yellowtail.

The only seafoods for which prices are set are scallops and Pacific, or Dungeness, crab, although the Office of Price Administration states that maximum prices will be fixed for other seafoods as soon as the necessary information can be obtained. This applies also to species of fresh fish not covered by M.P.R. No. 418.

Owing to the fact that salmon and halibut are produced in Alaska, the maximum prices for fresh fish govern sales in the territories and possessions as well as in the continental United States.

## PRICE DEPENDS ON TYPE OF SALE

Ceiling prices are set for each of five different types of seller and, as in the case of frozen fish prices, the nature of each individual sale determines the type of seller for that sale. The various classifications are as follows:—

- A. *Producers:* Fishermen.
- B. *Primary Fish Shipper-Wholesalers:* Dealers who distribute bulk, boxed, barrelled or packaged fish and seafood to other wholesalers or retail chain restaurants and who buy in bulk from a producer.
- C. *Retail-owned Co-operative Wholesalers:* Dealers who are either non-profit organizations or corporations of which 51 per cent of the stock is owned by their retail customers.
- D. *Cash-and-Carry Wholesalers:* Dealers who distribute fish and seafood to individual retail stores and restaurants, usually on a cash basis, with no delivery service.
- E. *Service-and-Delivery Wholesalers:* Dealers who deliver to individual retail stores and restaurants and who may also provide credit and other services.

When a dealer belongs to two or more of these classes, his price for each sale will depend on the nature of that particular sale. No sale can ever fall into more than one class.

A companion retail price regulation is expected to follow as soon as possible to cover sales to consumers.

## TABLE OF PRICES

Attached to the new regulation are detailed price schedules covering 48 species of fish and giving for each class of seller specific prices for various sizes, styles of dressing and season. In the case of producers, prices cover fish both in bulk ex-vessel and boxed. The schedules are too lengthy for publication here-with but copies are on file at the Department of Trade and Commerce, Ottawa, and information relating to prices for any varieties of fish included under the regulation will be supplied to interested Canadian firms on application to the Department or to the Senior Canadian Trade Commissioner in the United States, 620 Fifth Avenue, New York City.

The following typical maximum prices are quoted by the Office of Price Administration in a press release dealing with the regulation:—

*Typical Maximum Prices*

Variety	Producer's Price ex Vessel	Primary Fish Shipper- Whole- saler	Retail- owned Co-operative Whole- saler	Cash and Carry Whole- saler	Service and Delivery Whole- saler
Haddock, large, drawn.. . .	\$0.07	\$0.09	\$0.10	\$0.11	\$0.13½
Cod, markets, drawn. . . .	0.06	0.08	0.09	0.10	0.12½
Flounders, yellow tail, round	0.04	0.06	0.07	0.08	0.10½
Sole, petrole, round.. . . .	0.05	0.07	0.08	0.09	0.11½
Cod, ling, dressed.. . . .	0.08	0.10	0.11	0.12	0.14½

The foregoing prices apply to the summer season and do not include cost of shipping containers nor transportation costs to wholesalers away from the port of entry.

## TRANSPORTATION ALLOWANCES

The ceiling prices on fresh fish are set at port of entry. If sold elsewhere, there may be added actual transportation charges from the primary fish shipper-wholesaler's established place of business to the buyer's customary receiving



point. No local trucking and handling charges may, however, be added. The Office of Price Administration has authorized its regional offices to fix, for any area within its jurisdiction, transportation allowances for any kind of fresh fish or seafood. Such average allowances will be made in accordance with local conditions and will be adjusted when necessary. Where such allowances are not made, wholesalers will use actual cost-of-transportation figures.

#### EXTRA CHARGES FOR CONTAINERS

When fish are sold in containers, an additional charge may be added to the maximum price for bulk fish listed in the wholesalers schedules as shown in the following table:—

##### *Additional Charges for Containers*

Size of Container Pounds	Cents Per Pound	Size of Container Pounds	Cents per Pound
5.....	1 $\frac{3}{4}$	100.....	1
10.....	1 $\frac{1}{2}$	150.....	3 $\frac{3}{4}$
15.....	1	200.....	3 $\frac{1}{4}$
20.....	1	250.....	1 $\frac{1}{2}$
50.....	1 $\frac{1}{2}$	300.....	1 $\frac{1}{2}$
75.....	1 $\frac{1}{4}$		

To these prices may be added another one-quarter cent per pound if the fish is wrapped in cellophane.

#### OTHER ALLOWANCES

No transportation allowance is permitted to producers, but war-risk insurance premiums may be included if such premiums have customarily been paid by purchasers of the fish. No additional charge may be made for brokerage, commission or other customary selling fees or expenses, as these are included in the listed prices.

Wholesalers may add, in addition to transportation charges, the actual cost of refrigerants and special shipping cases when fish and seafood are packed for shipment to retailers at outlying country points only.

#### IMPORTED FISH

The wholesalers price schedules also apply to imported fresh fish. Dealers in such fish, including agents of foreign shippers, will use the prices in the table applying to their types of business.

Transportation charges from the port of entry only may be added, together with the appropriate container charge. This means that Canadian fish must be sold at prices consistent with the regulation, no provision being made for customs duty or transportation from the Canadian shipping point to the United States port of entry.

One provision of the regulation states, however, that if the transportation cost from the port of entry to the wholesaler's established place of business is less than the actual cost of transportation, the wholesaler may estimate his costs as from the shipping point in the United States closest to the foreign shipper's plant. The following example is included in Section 6 of the Regulation.

*Example:* Fresh fish and seafood might move from Prince Rupert, B.C., to Montreal, by Canadian National Railways and enter the United States slightly south of Montreal on the way to New York. The port of entry in the United States would thus be near Montreal.

Under such circumstances, any wholesaler in the United States except the primary fish shipper-wholesaler would be permitted to add only the rail rate from (near) Montreal to New York were it not for the added



provision in this Section that allows the wholesaler to use Seattle as the port of entry. The rail rate is the same from Prince Rupert to New York as it is from Seattle to New York. Thus, the wholesaler may add what would amount to the actual transportation cost.

POSSIBLE EFFECT OF NEW PRICES

According to the Office of Price Administration, the new specific prices represent a substantial roll-back. The extent of this roll-back, as compared with present-day prices, will vary by individual species and to the extent that current prices are now above or below their normal seasonal level. On a number of the species, however, the schedule prices will account for a 10 to 20 per cent reduction below even current prices, which have recently dropped sharply because of the landing of unusually heavy catches. The new prices are in terms of summer and winter seasons, and the extent of the roll-back will become more apparent as supplies become shorter in the fall and winter months.

The establishment of producer and wholesaler maximum prices on fresh fish is expected to lead to some revision of the prices of frozen and processed fish now in effect.

PRODUCTION OF FRESH FISH

Production of fresh fish in the United States in the last ten years has varied from a low of 2,600,000,000 pounds in 1932 to a high of 4,900,000,000 pounds in 1941. It has fallen off sharply since 1941, however, because of wartime conditions, and the estimated 1943 production is 3,650,000,000 pounds.

This drop in production has come with an increased demand resulting from wartime limitations on the supply of meat available for civilian consumption. The result has been that prices of fresh fish and shellfish have spiralled to unprecedented highs. The average price for the major species of fish landed at Boston in 1939 was \$2.79 per 100 pounds. In 1942 this had risen to \$6.45, and the increase has been at an even sharper rate since then. During the first quarter of 1943, fresh-fish prices to the fishermen have increased 58 per cent over those prevailing in the same quarter of 1942. In March the average price per hundred pounds had reached \$16.52.

ADDITIONAL VARIETIES OF CANNED SALMON UNDER UNITED STATES PRICE CEILING

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

New York, July 12, 1943.—In addition to the varieties and sizes of canned salmon subject to United States Maximum Price Regulation No. 265, as reported in *Commercial Intelligence Journal* No. 2033 (January 16, 1943), page 45, the following have been added by an amendment to the regulation effective July 13:

		Per Case
Alaska King . . . . .	1-lb. talls	\$14.00
Alaska Chinook . . . . .	1-lb. flats	17.60
Coho . . . . .	$\frac{3}{4}$ -lb. flats	5.20
Pink . . . . .	$\frac{3}{4}$ -lb. flats	3.90
Puget Sound Sockeye . . . . .	$\frac{3}{4}$ -lb. flats	6.40

The price of the Alaska Chinook  $\frac{1}{4}$ -pound flats has been reduced from \$12 to \$10 per case.

Prices of three of the five new types of pack now included in the salmon regulation are maintained as already established by the Office of Price Administration on application from the canners. The other two are priced according to customary trade differentials, and prices at consumer levels will not be affected.

## BREAD PRICES CONTROLLED IN NEWFOUNDLAND

Mr. R. P. Bower, Acting Trade Commissioner at St. John's, writes under date July 7, 1943, that price control in Newfoundland has recently been extended to cover the wholesale and retail prices of bread in the Avalon Peninsula. Wholesale and retail ceiling prices per loaf, which became effective in this area on July 5, 1943, are, respectively, as follows: White, soft bread, in loaves of  $1\frac{1}{2}$  pounds, 12 cents and 14 cents; raisin or sweet bread, in loaves of  $1\frac{1}{4}$  pounds, 14 cents and 16 cents; brown bread, in loaves of  $1\frac{1}{2}$  pounds, 12 cents and 14 cents.

## AUSTRALIAN WHEAT SITUATION

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, cabled under date July 16, 1943, regarding the wheat situation in Australia, as follows:—

Unsold stocks of wheat in Australia at July 1 were approximately 190,000,000 bushels, with no change in slow rate of export. Australian consumption of wheat as stock-feed continues and is 1,750,000 bushels higher than at the same time last year. Weather conditions are generally poor, with little or no rain or sub-soil moisture reserve except in northern New South Wales. No wheat acreage estimate is yet available, but it is believed to be about 7,000,000 acres, a reduction of 25 per cent as compared with last year.

## FOREIGN TRADE OF CHILE IN 1941

M. J. VECHSLER, CANADIAN COMMERCIAL ATTACHÉ

### IV. Principal Imports of Interest to Canada—*Con.*

(Values are in Chilean pesos of 6d. gold; one metric ton equals 2,204 pounds; one kilo equals 2.2 pounds; one quintal equals 220 pounds)

Following is a statistical summary of additional imports into Chile in 1941, showing for each item the total imports in that year, with comparative figures for 1940 within parentheses, and the principal sources of supply:—

### MACHINERY, IMPLEMENTS AND TOOLS

#### MINING MACHINERY, APPARATUS, IMPLEMENTS AND TOOLS

*Perforators, Excavators, Mechanical Shovels and Other Mining Machinery, not Specified.*—Total imports, 521,074 kilos, 1,457,289 pesos (398,415 kilos, 1,493,857 pesos): United States, 500,545 kilos (1,356,629 pesos).

*Machinery and Apparatus, Parts and Repairs.*—Total imports, 703,487 kilos, 2,364,223 pesos (910,550 kilos, 2,597,057 pesos): United States, 694,213 kilos (2,335,700 pesos).

#### AGRICULTURAL MACHINERY, APPARATUS, IMPLEMENTS AND TOOLS

*Ploughs.*—Total imports, 704,320 kilos, 759,885 pesos (387,191 kilos, 443,721 pesos): United States, 703,614 kilos (758,916 pesos); Canada, 676 kilos (769 pesos); Argentina, 30 kilos (200 pesos).

*Other Agricultural Machinery, not Specified.*—Total imports, 3,224,534 kilos, 4,833,654 pesos (1,886,275 kilos, 2,447,683 pesos) United States, 3,137,092 kilos (4,677,518 pesos); Canada, 844 kilos (930 pesos); other suppliers were Argentina, Brazil, the United Kingdom and Peru.



*Machinery and Apparatus Parts and Repairs.*—Total imports, 298,422 kilos, 775,715 pesos (179,877 kilos, 502,680 pesos): United States, 292,772 kilos (753,154 pesos); Canada, 97 kilos (227 pesos).

#### MACHINERY, APPARATUS, IMPLEMENTS AND TOOLS FOR INDUSTRIES AND TRADES

*Pumps.*—Total imports, 289,081 kilos, 1,217,507 pesos (184,648 kilos, 706,786 pesos): United States, 263,096 kilos (1,122,254 pesos).

*Packings, not Specified.*—Total imports, 74,765 kilos, 449,427 pesos (82,262 kilos, 443,600 pesos): United States, 70,871 kilos (421,353 pesos).

*Winches and Other Machines for raising Weights.*—Total imports, 238,544 kilos, 658,957 pesos (331,674 kilos, 1,019,458 pesos): United States, 154,420 kilos (529,692 pesos).

*Sewing-machines.*—Total imports, 407,400 kilos, 1,648,290 pesos (406,052 kilos, 1,569,378 pesos): United States, 371,647 kilos (1,568,493 pesos).

*Textile Machinery.*—Total imports, 1,385,314 kilos, 3,182,045 pesos (937,163 kilos, 1,788,202 pesos): United Kingdom, 641,901 kilos (1,861,698 pesos); United States, 483,768 kilos (875,988 pesos); Switzerland, 79,440 kilos (188,450 pesos).

*Laundry Machinery.*—Total imports, 125,015 kilos, 371,601 pesos (26,549 kilos, 106,803 pesos): United States, 94,861 kilos (311,782 pesos); United Kingdom, 22,662 kilos (41,600 pesos).

*Printing and Lithographing Machinery.*—Total imports, 71,152 kilos, 554,996 pesos (75,819 kilos, 348,900 pesos): all from the United States.

*Other Machinery, not Specified.*—Total imports, 2,036,353 kilos, 7,578,901 pesos (2,116,708 kilos, 7,345,936 pesos): United States, 1,629,596 kilos (6,346,440 pesos).

*Foundry Apparatus and Others, not Specified.*—Total imports, 463,605 kilos, 1,881,238 pesos (583,743 kilos, 1,761,938 pesos): United States, 387,562 kilos (1,599,685 pesos).

*Machinery and Apparatus Parts and Repairs, not Specified.*—Total imports, 629,755 kilos, 3,923,568 pesos (565,772 kilos, 3,245,086 pesos): United States, 491,282 kilos (2,972,232 pesos); United Kingdom, 112,692 kilos (720,625 pesos).

*Grinding and Emery Stones.*—Total imports, 92,925 kilos, 297,474 pesos (76,401 kilos, 229,070 pesos): United States, 89,862 kilos (287,520 pesos).

*Metal Parts of Machinery, etc.*—Total imports, 342,006 kilos, 1,982,442 pesos (215,642 kilos, 1,537,608 pesos): United States, 301,306 kilos (1,575,528 pesos).

*Handsaw Blades.*—Total imports, 11,669 kilos, 85,915 pesos (15,462 kilos, 91,958 pesos): United States, 11,340 kilos (82,737 pesos).

*Saws, Machines, of All Kinds.*—Total imports, 34,726 kilos, 279,155 pesos (26,048 kilos, 193,363 pesos): United States, 28,978 kilos (232,635 pesos).

*Brushes.*—Total imports, 7,720 kilos, 118,292 pesos (11,250 kilos, 111,079 pesos): United States, 6,504 kilos (100,109 pesos); Canada, 258 kilos (3,137 pesos).

*Axes and Hatchets.*—Total imports, 54,628 kilos, 93,931 pesos (33,928 kilos, 59,804 pesos): United States, 51,585 kilos (88,132 pesos); the remainder was supplied by the United Kingdom.

*Files.*—Total imports, 90,703 kilos, 374,247 pesos (100,197 kilos, 371,840 pesos): United States, 81,945 kilos (354,569 pesos); the remainder came from the United Kingdom.

*Pressing Irons.*—Total imports, 113,250 kilos, 190,019 pesos (79,638 kilos, 157,215 pesos): United States, 43,813 kilos (94,973 pesos); Japan, 42,031 kilos (42,834 pesos); United Kingdom, 15,262 kilos (28,995 pesos).



*Other Tools, not Specified.*—Total imports, 242,021 kilos, 905,689 pesos (192,355 kilos, 710,154 pesos): United States, 209,032 kilos (780,924 pesos).

*Shovel Blades.*—Total imports, 67,576 kilos, 109,564 pesos (124,273 kilos, 149,936 pesos): United Kingdom, 55,258 kilos (79,869 pesos); United States, 12,314 kilos (29,689 pesos).

#### MOTIVE MACHINERY, BOILERS AND THEIR PARTS

*Steam Generating Boilers, Weighing from 100 Kilos.*—Total imports, 412,810 kilos, 611,043 pesos (459,817 kilos, 640,233 pesos): United States, 376,438 kilos (564,487 pesos).

*Transmission Belting, not Specified.*—Total imports, 147,202 kilos, 744,282 pesos (163,793 kilos, 745,316 pesos): United States, 133,473 kilos (661,775 pesos).

*Rubber Belting, for Transporting Machines.*—Total imports, 222,399 kilos, 683,414 pesos (342,438 kilos, 1,136,793 pesos): United States, 202,172 kilos (623,797 pesos); Canada, 6,027 kilos (19,041 pesos).

*Combustion Engines.*—Total imports, 212,516 kilos, 1,016,761 pesos (183,145 kilos, 910,595 pesos): United States, 192,944 kilos (947,244 pesos).

*Diesel Engines.*—Total imports, 364,934 kilos, 1,194,237 pesos (37,121 kilos, 227,799 pesos): United States, 305,385 kilos (1,007,595 pesos).

*Electric Motors.*—Total imports, 566,226 kilos, 2,085,544 pesos (335,887 kilos, 1,338,370 pesos): United States, 434,902 kilos (1,717,480 pesos); Sweden, 55,970 kilos (123,426 pesos).

*Turbines.*—Total imports, 141,254 kilos, 706,770 pesos (nil): all from the United States.

*Boiler, Engine and Turbine Parts and Repairs.*—Total imports, 529,738 kilos, 2,923,102 pesos (643,796 kilos, 3,613,170 pesos): United States, 493,614 kilos (2,680,818 pesos).

#### ELECTRICAL MACHINERY, APPARATUS AND MATERIAL

*Insulators for Electric Current.*—Total imports, 508,284 kilos, 694,990 pesos (161,643 kilos, 222,162 pesos): United States, 477,595 kilos (651,200 pesos).

*Copper Wire, for Any Use, Insulated with Materials Other than Silk.*—Total imports, 375,367 kilos, 899,469 pesos (555,969 kilos, 1,197,311 pesos): United States, 230,900 kilos (566,838 pesos); Japan, 92,879 kilos (183,008 pesos); Canada, 27,936 kilos (81,090 pesos); Argentina, 21,240 kilos (55,800 pesos).

*Insulated Copper Cord, for Electric Current.*—Total imports, 177,812 kilos, 404,206 pesos (108,518 kilos, 398,693 pesos): United States, 151,617 kilos (341,004 pesos); Canada, 950 kilos (2,665 pesos).

*Insulated Copper Cable, for Electric Current.*—Total imports, 965,182 kilos, 1,932,420 pesos (709,225 kilos, 1,356,414 pesos): United States, 799,140 kilos (1,662,633 pesos); Brazil, 96,632 kilos (141,699 pesos); United Kingdom, 50,012 kilos (86,972 pesos); Canada, 308 kilos (1,005 pesos).

*Incandescent Lamp Bulbs, 100 to 250 Volts.*—Total imports, 81,906 kilos, 790,800 pesos (72,860 kilos, 649,779 pesos): United States, 28,862 kilos (368,336 pesos); United Kingdom, 17,731 kilos (176,198 pesos); Japan, 27,208 kilos (146,073 pesos).

*Incandescent Lamp Bulbs, not Specified.*—Total imports, 61,298 kilos, 847,958 pesos (39,363 kilos, 511,158 pesos): United States, 47,799 kilos (736,804 pesos).

*Rectifying Tubes and Valves for Any Use.*—Total imports, 33,884 kilos, 1,156,070 pesos (16,625 kilos, 566,841 pesos): United States, 33,101 kilos (1,111,007 pesos).

*Telephone Apparatus, Parts and Instruments.*—Total imports, 54,615 kilos, 957,019 pesos (69,890 kilos, 201,885 pesos): United Kingdom, 37,864 kilos (589,070 pesos); United States, 11,024 kilos (302,508 pesos).

*Carbons and Electrodes.*—Total imports, 317,161 kilos, 806,722 pesos (311,572 kilos, 621,187 pesos): United States, 315,372 kilos (775,925 pesos).

*Dynamos, Alternators, Converters, Generators and Other Machinery, not Specified.*—Total imports, 311,576 kilos, 1,331,312 pesos (206,192 kilos, 766,865 pesos): United States, 283,328 kilos (1,224,910 pesos).

*Transformers.*—Total imports, 445,594 kilos, 1,813,328 pesos (191,680 kilos, 755,563 pesos): United States, 416,773 kilos (1,714,207 pesos).

*Resistances.*—Total imports, 47,399 kilos, 340,847 pesos (21,887 kilos, 205,381 pesos): United States, 41,102 kilos (308,150 pesos).

*Condensers.*—Total imports, 24,301 kilos, 323,358 pesos (28,781 kilos, 281,439 pesos): United States, 23,736 kilos (315,819 pesos).

*Other Electrical Apparatus, not Specified.*—Total imports, 58,957 kilos, 453,307 pesos (32,600 kilos, 292,253 pesos): United States, 52,165 kilos (422,366 pesos).

*Apparatus and Repairs, not Specified, for Domestic Lines.*—Total imports, 137,819 kilos, 772,067 pesos (69,731 kilos, 500,036 pesos): United States, 98,353 kilos (583,854 pesos); Sweden, 14,521 kilos (75,652 pesos).

*Parts and Repairs not Specified, for Machinery and Apparatus.*—Total imports, 348,448 kilos, 944,975 pesos (45,003 kilos, 399,676 pesos): United States, 212,572 kilos (643,086 pesos); Brazil, 111,486 kilos (205,368 pesos).

*Parts, such as Plugs, Interrupters, Simple Portable Lamps, and Other Articles not Specified.*—Total imports, 117,666 kilos, 533,590 pesos (99,872 kilos, 463,444 pesos): United States, 65,258 kilos (360,551 pesos); Japan, 31,886 kilos (77,810 pesos); Brazil, 15,482 kilos (63,437 pesos).

*Meters, Parts and Repairs and Other Electric Meter Apparatus.*—Total imports, 82,199 kilos, 655,103 pesos (65,189 kilos, 508,920 pesos): United States, 65,318 kilos (534,236 pesos); Canada, 10,041 kilos (54,886 pesos).

*Dry Cells, Electric.*—Total imports, 309,064 kilos, 571,227 pesos (272,618 kilos, 461,215 pesos): United States, 299,383 kilos (553,829 pesos).

*Batteries.*—Total imports, 861,014 kilos, 1,721,341 pesos (866,693 kilos, 1,716,154 pesos): United States, 818,389 kilos (1,659,902 pesos).

#### TRANSPORT MATERIALS AND IMPLEMENTS

*Railway Rails.*—Total imports, 1,645,866 kilos, 405,505 pesos (3,505,780 kilos, 808,273 pesos): United States, 1,641,534 kilos (400,643 pesos).

*Wheels, Axles, Tires, Each Weighing over 50 Kilos Net.*—Total imports, 3,270,976 kilos, 2,210,255 pesos (3,232,763 kilos, 1,815,472 pesos): United States, 3,201,428 kilos (2,149,770 pesos).

*Parts and Repairs, not Specified, for Machinery and Apparatus.*—Total imports, 100,648 kilos, 472,050 pesos (131,739 kilos, 482,781 pesos): United States, 96,293 kilos (456,090 pesos).

#### VEHICLES, NOT SPECIFIED, AND THEIR REPAIR PARTS

*Aeroplanes.*—Total imports, 97,391 kilos, 4,007,148 pesos (6,100 kilos, 107,766 pesos); all from the United States.

*Automobiles, not Specified, New or Used, Weighing from 501 to 1,500 Kilos.*—Total imports, 509,618 pesos (745,587 pesos): United States, 271,642 pesos; United Kingdom, 184,843 pesos.



*Automobiles, not Specified, New or Used, Weighing from 1,501 to 2,000 Kilos.*—Total imports, 3,188,082 kilos, 6,990,121 pesos (3,233,551 kilos, 6,733,355 pesos): United States, 3,032,274 kilos (6,620,269 pesos); Canada, 90,740 kilos (211,841 pesos).

*Automobiles, not Specified, New or Used, Weighing from 2,001 to 2,250 Kilos.*—Total imports, 1,873,000 kilos, 4,632,131 pesos (1,112,127 kilos, 2,579,902 pesos): United States, 1,777,855 kilos (4,378,389 pesos); Canada, 69,802 kilos (174,120 pesos).

*Automobiles, not Specified, New or Used, Weighing from 2,251 to 2,500 Kilos.*—Total imports, 669,679 kilos, 1,787,535 pesos (495,937 kilos, 1,198,914 pesos): United States, 630,101 kilos (1,687,665 pesos); Canada, 20,574 kilos (53,782 pesos).

*Automobiles, not Specified, New or Used, Weighing from 2,501 to 3,000 Kilos.*—Total imports, 190,371 kilos, 552,861 pesos (132,410 kilos, 369,245 pesos): United States, 184,801 kilos (543,176 pesos).

*Fire Pumps and Accessories, Portable or Movable, Imported by the Fire Department.*—Total imports, 44,437 kilos, 207,855 pesos (21,325 kilos, 121,651 pesos); all from the United States.

*Trailers, Goods, without Motors, Tractor or Truck Drawn.*—Total imports, 170,425 kilos, 494,781 pesos (17,156 kilos, 49,034 pesos): United States, 170,217 kilos (494,481 pesos).

*Automobile Chassis, Gasoline- or Petroleum-driven.*—Total imports, 4,651,321 kilos, 8,806,302 pesos (4,880,162 kilos, 9,283,840 pesos): United States, 4,644,276 kilos (8,791,002 pesos).

*Tractors, Gasoline- or Petroleum-driven.*—Total imports, 2,460,909 kilos, 5,751,370 pesos (1,206,980 kilos, 3,006,093 pesos); all from the United States.

*Automobile Tires.*—Total imports, 1,563,711 kilos, 5,622,359 pesos (1,059,805 kilos, 3,602,332 pesos): United States, 1,352,147 kilos (4,849,163 pesos); Canada, 104,922 kilos (380,200 pesos).

*Automobile Tire Tubes.*—Total imports, 174,642 kilos, 635,473 pesos (117,637 kilos, 424,174 pesos): United States, 135,767 kilos (476,686 pesos); United Kingdom, 17,096 kilos (63,738 pesos); Canada 14,146 kilos (53,619 pesos).

*Bicycles and Parts.*—Total imports, 329,536 kilos, 1,441,943 pesos (321,678 kilos, 1,361,828 pesos): United States, 175,047 kilos (779,849 pesos); United Kingdom, 118,624 kilos (509,905 pesos); Argentina, 24,880 kilos (111,485 pesos).

*Automobile Springs.*—Total imports, 660,230 kilos, 630,354 pesos (498,510 kilos, 451,210 pesos): United States, 659,498 kilos (626,104 pesos).

*Vehicle Parts and Repairs, not Specified.*—Total imports, 565,143 kilos, 1,672,526 pesos (566,408 kilos, 1,657,646 pesos): United States, 555,527 kilos (1,628,736 pesos).

## NEW INDUSTRIES IN SOUTH AMERICA

*From the British Export Gazette*

South America is in normal times one of the most important markets for British manufactures. Therefore, there is increasing speculation as to the extent to which British trade may be able to recover its due proportion of South American markets after the war, particularly in view of the remarkable growth in national manufacturing industries in all the leading Latin American countries. This industrialization has received very great impetus during present hostilities, because of the inability to obtain essential manufactured goods from Britain and other chief supplying countries: Such increased industrialization must also be viewed against the background of the intensive Allied demand for strategic and other essential products from Latin America, such as metals, rubber, oils,



foodstuffs, etc., and in respect of which the United States is granting financial and other assistance for intensive development, especially because of the loss of Far Eastern sources of supply.

As the limitation of transport facilities, and especially of shipping northwards to the United States, now constitutes Latin America's chief problem, it is only natural that the outstanding feature in Latin American trade since the war started has been the intensification of inter-trading between the Republics themselves. Indeed, it may be stated that, taking the Southern Continent as a whole, it is becoming increasingly self-sufficient through the mutual interchange of raw materials and of manufactured goods. At the same time, there are many manufacturing industries which are largely dependent upon imported equipment, chemicals, etc., and these are naturally feeling the restrictive influence of the virtual cutting-off of foreign sources of supplies.

In the article dealing with "Argentine Trade Tendencies," which appeared in the April issue of the *British Export Gazette*, details were given in the concluding paragraph regarding the growth of Argentine industries in 1942. Further illuminating comment is contained in the 1942 report of the Argentine Central Bank, which states that, although Argentina is standing up well to the world crisis, and maintains an increasingly large favourable balance of international payments, it is estimated that in 1943 Argentina will be able to import only about one-third of normal arrivals of essential imports, special mention being made of iron and steel, tinplate, rubber, machinery and newsprint. Argentine imports per inhabitant, it is claimed, are below those of any year for the past fifty years. Factories existing at the outbreak of war are in general working at full capacity and have increased their plant as much as their means permit. Furthermore, a great many small and medium-sized new concerns have arisen, showing enterprise and technical ability. There is improvement in the quality of goods produced as well as increase in quantity. However, stocks of essential raw materials have been diminishing steadily, and in some branches of industry the situation may become critical unless minimum requirements are obtained from abroad. There are, therefore, grounds for anxiety which will increase the longer the war lasts, and the public should be prepared to accept restrictions. The industrial census of 1935 gave the total value of Argentine industrial output as 3,300 million pesos, whilst to-day it is believed to be in the neighbourhood of 7,000 million pesos. The increase, however, is partly due to the rise in prices, for, whilst the value has risen by 110 per cent, the increase in volume is only about 55 per cent. Deducting the costs of imported raw materials and those derived from agriculture and stockbreeding, the value of Argentine industrial output in 1942 was 2,650 million pesos, this figure being almost equal to the total combined agricultural and pastoral production in that year.

Oversea shipping freights are, of course, normally an important item of British invisible exports. Argentina, however, is now building up its own National Merchant Fleet, and in 1942, for the first time, net inward payments into Argentina for freight assumed real importance. Argentina's trade statistics for the first two months of this year showed that, despite the war, Britain still leads on both import and export account, followed by the U.S.A. Brazil—whose export trade is steadily increasing—is now firmly established as third supplier to Argentina. The latter's favourable trade balance is supported not only by increasing trade with other Latin American countries, but the most striking development is that the Union of South Africa, previously negligible as a customer of Argentina, has suddenly jumped to third place in the list of buyers of Argentine goods, having taken 23,891,000 pesos worth in the first two months of 1943, against only 334,000 pesos in the like months of 1942. South Africa is buying not only agricultural and pastoral products from Argentina, but also manufactured and finished goods, especially textiles. There is such keen

demand in the River Plate freight market for space to South Africa that rates are as high as between £22 and £30 per ton for the round voyage.

Industrialization in Chile and Peru has developed to the extent that both countries now manufacture a very wide range of goods of every-day consumption. Local industries in Peru have had several very favourable years, whilst oversea trade runs at record high levels, an interesting Empire development being the fact that exports to Australia and New Zealand in 1942—probably largely cotton—represented very high figures against nil in 1941. Manufacturing production in Chile, however, remained relatively stationary during 1942. While the general index of these activities for the year 1940 registered an increase of 11 per cent and a rise of 2·4 per cent in 1941, there was a drop of 1·3 per cent in 1942. The greater part of the articles included in the compilation of this index shows decreases, viz.: soap (16 per cent); beer (13 per cent); coke (12 per cent); footwear (11 per cent); tar (9 per cent); tobacco products (8 per cent); paper (7·5 per cent) and matches (5·5 per cent). An increase of some importance was registered in the production of sugar (19 per cent); small increases were recorded in the production of knitting wool and textiles (4 per cent each); glassware (5·5 per cent) and cement (1·3 per cent). In no other country in the Americas has the rise in prices assumed such alarming proportions as in Chile, which is undoubtedly due to currency inflation out of proportion to the nation's production. Colombia is normally a large market for British textiles, but, illustrating the growth in inter-American trade, Colombia's imports from Argentina (mainly woollen thread) during the first ten months of 1942 rose to 2,568,000 pesos from 6,500 pesos in 1939; those from Uruguay (woollen thread and yarns) were worth 266,000 pesos against nil in the years 1939 to 1941; whilst there were imported from Peru in the 1942 period nearly 5,500 metric tons gross of raw cotton worth 2,984,000 pesos against none at all in 1939. Last year Colombia imported large quantities of cotton and woollen threads and yarns of various types from Brazil.

Industrial expansion in Brazil has been greater than in any other South American country and is truly remarkable, whilst, as in the case of Argentina, there is a very considerable increase in trade with South Africa. It is estimated that the value of Brazil's industrial production in 1942 was double that for 1940, the production of cotton textiles alone being computed at nearly twice the pre-war figure. Even in 1941—since when the greatest development has taken place—the total number of registered industrial establishments was about 55,000 against 21,500 in 1937, whilst estimated total production had risen to over £250 millions sterling from £112 millions. A warning note has, however, recently been sounded regarding industries utilizing certain foreign materials which cannot now be obtained because of the shipping shortage. Indeed, it is asserted that, notwithstanding adaptation and the use of substitutes which have taken place, unless there are fresh arrivals of many raw materials, including certain heavy chemicals, several local Brazilian factories and mills may shortly have to restrict their working drastically. Apart from active U.S. participation in such outstanding developments as the new National Steel Plant at Volta Redonda (State of Rio de Janeiro), and in the Itabira Iron Ore Mines, North America is showing great interest in the industrial development of Brazil, which is passing through a period similar to that faced by the U.S.A. before entering its great phase of industrial expansion. Despite shipping difficulties, some machinery is being shipped at present to Brazil, especially for the installation of heavy industries, although, owing to the lack of vessels, it is unlikely that the projected general transfer to Brazil of non-war machinery from U.S. factories will take place during the war. A question under study is the participation of U.S. industrial concerns in Latin American industries by means of companies organized locally with assembly plants or workshops. The U.S. Government is understood to be studying a plan for the post-war commercial and industrial develop-



ment of Latin America by means of loans and technical assistance. It is recognized that the type of assistance particularly needed in South America is of a technical nature combined with the investment of capital and the supply of machinery to set up industries so as to enable South American countries to become self-sufficient in certain articles, and committees have been set up in various Latin American countries to develop inter-American trade.

At the recent annual meeting of the British Chamber of Commerce in Sao Paulo (Brazil), the Chairman dealt with the possible effects of Brazilian industrialization upon British exports to Brazil. After referring to what had happened in the past to British export trade in cotton goods and yarns after Brazil had become self-supporting in these goods, the view was expressed that a similar adverse tendency might occur in regard to coal, iron, steel, aluminium, heavy chemicals, and other basic industries as well as their subsidiary industries. Against this view, however, the Commercial Counsellor to the British Embassy stated that his experience in other countries did not convince him that the industrialization of a country necessarily meant disastrous repercussions upon United Kingdom trade. He went on to say that the industrialization of Brazil is going to be no speedy phenomenon, that its economy will have to be planned, and that the machinery for that planning is not yet in existence. Moreover, it would be unable to find the necessary labour except by withdrawing workers from agriculture—the country's basic industry—and this the Government was not desirous of doing. The fact was that the Government's dual aim of autarchy and industrialization could be attained only by allowing large-scale immigration, in other words, by setting out along the road followed by the U.S.A. in the second half of the nineteenth century.

## TARIFF CHANGES AND TRADE REGULATIONS

### Ireland

#### IMPORT QUOTAS FOR BOOTS, LADIES' HATS, AND METAL SCREWS

Mr. E. L. McColl, Canadian Trade Commissioner at Dublin, writes under date June 11, 1943, that by Orders of the Irish Government, dated May 28, 1943, and issued under the Control of Imports Acts, 1934 and 1937, further import quotas have been announced as follows:—

1. The quota for leather boots and shoes is fixed at 1,250,000 articles and is the same as that announced for the previous six months.
2. The new allotment for ladies' felt hats (under 14s. 11d. each) is 80,000 articles, which is the same as that for the previous similar period.
3. The total quota for certain metal screws with slotted heads and tapered threads is 50,000 gross, of which 48,000 gross must be of United Kingdom or Canadian manufacture. This amount is unchanged from the previous six months' period.

The quota period in each of the above cases is from July 1 to December 31, 1943.

So far as supplies of leather footwear are concerned, the position in this country at present is growing critical. Raw materials needed by local manufacturers have become difficult to procure, and the factories are therefore compelled to restrict their output in order to conserve existing stocks. Prior to the outbreak of war, when there were direct shipping facilities between this country and Canada, there was an import trade in leather. It is difficult to estimate the total volume of this business, since a large proportion of the leather



was purchased from stocks carried by agents in Great Britain of Canadian firms and was transhipped to this country. There are some thirty-six firms in Eire producing footwear and parts. In 1941 these firms manufactured boots, shoes, and parts thereof to the value of £2,408,687, having expended £1,271,380 on raw materials. The total value of importations of all types of footwear into this country in 1938 (the latest year for which statistics are available) was £109,815, of which £85,720 is credited to Great Britain and £2,153 to Canada. Owing to the scarcity of rubber, there is no footwear embodying this material on the market. The small supply that is available is restricted to the use of the essential services and is distributed under strict government supervision. Footwear was first subjected to quota restriction on entering Eire in 1934 and to coupon restriction in 1942. It is estimated that the total requirement for this country is in the neighbourhood of 6,000,000 pairs per annum. The export trade in this line is negligible, being six dozen pairs valued at £12 in 1938.

There is only one firm, so far, in this country that produces screws and nails, namely Irish Wire Products of Limerick. Most of the materials used by this company are obtained in their raw state from Great Britain. Now that supplies from this source have become considerably restricted, the output of the Irish firm has been greatly curtailed. In fact the demand now exceeds production, and it is reported that the import quota allotment is usually unfilled. So far as nails are concerned, distribution is closely supervised by the Government to ensure that supplies will be available for box-making for the packing of butter and eggs. It is not possible to give statistics of the actual imports of screws, since these are not classified separately. Prior to the outbreak of hostilities, Canada was a supplier of screws to Eire.

The situation with respect to the hat industry in Eire was reported in *Commercial Intelligence Journal* No. 2054 (June 12, 1943), page 488.

## Peru

### DUTY REDUCED ON ZINC OXIDE

Mr. W. G. Stark, Acting Trade Commissioner at Lima, writes that a Peruvian resolution of January 23, 1943, reduces the import duty on pure zinc oxide from 0.40 sol to 0.20 sol per kilogram (from about 3 cents to 1½ cents per pound). The resolution states that the new duty is the equivalent of 13 per cent ad valorem.

### EXPORT CONTROL REGULATIONS

Mr. W. G. Stark, Acting Trade Commissioner, at Lima, writes under date July 2, 1943, that a decree of May 20, 1943, issued through the Peruvian Ministry of Finance, provides that, with the exception of petroleum and its derivatives, all exports from Peru will require special government authorization. The purposes of the decree are to economize space on outgoing vessels, to see that such space is fairly divided, and to ensure the export of basic national commodities.

Another decree of the same date provides for the control of all export shipping space by the General Coordinator of National Transportation. Companies acting as consignees for shipping vessels, prior to contracting for freight, must submit to the General Coordinator details concerning their available space and the corresponding tonnage, on which basis that officer will set the space and grant the respective permits. On their part, embarking (shipping) agents will request in advance from the General Coordinator of National Transportation the reservation of shipping space for the products which they desire to export, with an indication of the kind and name of same, weight or measurements, and ports of departure and destination. Petroleum and by-products are exempt from these requirements.

## EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

### Mexico, Guatemala, and El Salvador

Mexico City, July 1, 1943.—In none of the three countries listed above are there any official exchange restrictions in force at present that might affect the collection of bills drawn on importers therein by persons abroad. Foreign exchange is readily available to meet payments for shipments from Canada.

### Honduras

Control of foreign exchange in Honduras is exercised by the Exchange Control Commission. No difficulty in obtaining foreign exchange has been experienced in recent months, funds being made readily available by the Commission within one to three days from the date of application to cover all transactions that are not subject to the freezing-control laws now in force.

The transactions for which exchange is not being made available are those by or in favour of enemy nationals, whether located in Honduras or in foreign countries, or those by Honduran nationals whose names appear on any of the War Trade Lists.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JULY 19, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, July 19, 1943, and for the week ending Monday, July 12, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending July 12	Nominal Quotations in Montreal Week ending July 19	Official Bank Rate
Great Britain. . . . . Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. . . . . Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico . . . . . Peso	.4985	.2284	.2284	4
Jamaica . . . . . Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. . . . . Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2788	.2786	—
Brazil. . . . . Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana . . . . . Dollar	1.0138	.9313	.9313	—
Chile . . . . . Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. . . . . Peso	.9733	.6358	.6358	4
Venezuela . . . . . Bolivar	.1930	.3330	.3330	—
Uruguay. . . . . Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5870	.5865	—
South Africa. . . . . Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India. . . . . Rupee	.3650	.3359	.3359	3
Australia . . . . . Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. . . . . Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

# COMMERCIAL INTELLIGENCE SERVICE

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**C. M. CROFT, *Director***

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**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

# Commercial Intelligence Journal

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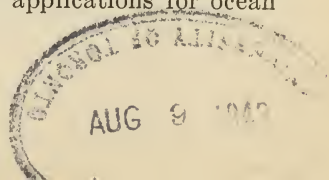
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## APPLICATION OF DECENTRALIZATION PLAN TO EXPORTS TO CUBA AND MEXICO

In an article entitled "New Decentralized Control of Exports to Certain Latin American Republics," which appeared in *Commercial Intelligence Journal* No. 2051 (May 22, 1943), it was stated in Section 10 of the details of the Plan (Page 411) that the procedure with respect to Cuba and Mexico would be announced later. As shipping to Cuba presents no serious problem at the present time and, as such a large proportion of shipments to Mexico moves by rail, it has been decided to limit the application of the decentralization procedure to lists of specified commodities which have been prepared by the authorities of the importing countries. These lists are on file at the Export Permit Branch, Ottawa, and Canadian exporters will be advised upon inquiry whether their particular commodities are included. If they are, an export permit will not be issued until the exporter can furnish an Import Recommendation (in the case of Mexico the document is called Export Recommendation) issued to the importer by the Country Agency in consultation with the resident Canadian Government Trade Commissioner.

This procedure becomes effective on September 1, after which date the Recommendations from Cuba and Mexico will be prerequisite to the issuance of export permits and to the acceptance of freight space applications for ocean shipping.



## DECENTRALIZATION PLAN FOR COLOMBIA POSTPONED

Due to difficulties in establishing the necessary machinery to ensure a steady flow of Import Recommendations sufficient to fill the shipping space offering, it has been decided to extend the effective date of the Decentralization Plan for Colombia to September 1. Unless it becomes necessary to announce a further extension, export permits will not be granted after that date until the Canadian exporter can furnish a copy of an Import Recommendation issued to the importer by the Colombian Country Agency.

## UNITED STATES NEWSPRINT SITUATION

W. D. WALLACE, OFFICE OF THE CANADIAN TRADE COMMISSIONER

New York, July 19, 1943.—A review of the newsprint paper industry in the United States for the first six months of 1943 indicates that production was 15 per cent below that for the corresponding period of 1942. On the other hand, total consumption showed only a slight decrease. The result has been a heavy withdrawal from both mill and publishers' stocks, and this deficiency has now become a serious matter.

The situation is further accentuated by the War Production Board findings that pulpwood receipts at the United States mills are averaging 26 per cent less than in 1942, and that inventories of pulp are decreasing at a rate of 34,000 tons per month. In addition there is no present prospect of a supply of pulpwood sufficient to meet the current consumption demands of the entire United States paper industry. In order to meet this critical wood-pulp situation, the War Production Board has had to assume control of all grades of pulp to ensure that there is a supply for making products needed for the war effort.

Due to the failure of the War Production Board's Limitation Order L-240 to bring about a 10 per cent reduction in consumption, coupled with low stocks and limited supply, the War Production Board has found it necessary to add two amendments to Order L-240 reducing consumption still further and restricting inventories and deliveries of newsprint.

Although a price increase of \$4 per ton was granted by the Office of Price Administration, effective March 1, 1943, both Canadian and United States mills have applied for further increases, and the Office of Price Administration and the Wartime Prices and Trade Board have just announced that an additional increase of \$4 per ton will be allowed effective September 1, 1943.

### PRODUCTION

According to a recent report of the News Print Service Bureau, production of newsprint paper in North America for the first six months of 1943 is estimated at 1,949,244 tons, a decline of 15 per cent from the corresponding 1942 figure of 2,297,312 tons. Canada supplied 1,443,670 tons, or 74.6 per cent of the total, the United States 412,489 tons, or 21.1 per cent, and Newfoundland, 93,085 tons, or 4.3 per cent.

The Canadian output of 1,443,670 tons was 13 per cent below the figure of 1,658,174 tons in the first half of 1942. United States production was 71,391 tons, or 14.7 per cent, below the 1942 six months' output of 483,880 tons. The output of Newfoundland amounted to 93,085 tons and was 39.4 per cent under the figure of 155,258 tons for the corresponding period of 1942.



## STOCKS

Shipments of newsprint paper from the United States mills in the first half of 1943 amounted to 411,112 tons as against 474,417 tons in the corresponding period of 1942. During the same period shipments from Canadian mills amounted to 1,456,427 tons as compared with 1,622,857 tons in the six-months' period of the previous year. The combined United States and Canadian mill shipments amounted to 1,867,539 tons as against 2,097,274 tons in the like period of 1942, a decrease of 229,735 tons, or 11 per cent. The combined shipments were 11,380 tons in excess of combined production.

Mill stocks at the close of June, 1943, totalled 90,207 tons, of which 79,229 tons were at Canadian mills and 10,978 tons at those in the United States. The comparable 1942 mill stocks totalled 175,937 tons, of which 158,888 tons were in Canada and 17,049 tons in the United States. Therefore, during the year there was a decrease of 85,730 tons in the combined United States and Canadian mill stocks.

According to the American Newspaper Publishers Association, stocks of newsprint held by publishers on June 30, 1943, totalled 409,547 tons, a 54-days' supply, and were 6.6 per cent below the 438,843 tons, or 59-day supply, at the close of June, 1942.

## CONSUMPTION

Consumption of newsprint paper by the publishers reporting to the A.N.P.A. for the first half of 1943 totalled 1,391,981 tons, or 10,340 tons less than the 1,402,221 tons consumed in the first half of 1942. Although this was a decrease of less than one per cent, during the months of May and June, consumption was from 2 to 3 per cent greater than in the corresponding months of 1942.

Allowing an estimated 25.7 per cent for consumption by other paper consumers, it is estimated that total consumption of newsprint in the United States is 1,837,460 tons, or 0.7 per cent, under that for the first six months of 1942.

The average size of the larger daily newspapers has been the same as last year (26 pages), while Sunday newspapers have averaged 80 pages so far this year as compared with 82 pages last year and 88 pages in 1941. Newspaper circulations are being maintained at their all-time high.

During the first six months of 1943 there has been an increase of 11.3 per cent in newspaper advertising lineage. According to "Media Records" for 52 cities there was a gain of 1.6 per cent in retail advertising, 30.2 per cent in classified advertising, 24.3 per cent in general advertising, and 20.6 per cent in automotive advertising. On the other hand, financial advertising declined by 6.3 per cent.

## NEW CONSUMPTION REGULATION

It will be recalled that the War Production Board, on December 31, 1942, issued Limitation Order L-240 whereby newspapers were limited each quarter to 100 per cent of the tonnage of paper used in printing their net paid circulation during the corresponding quarter of 1941, plus a 3 per cent allowance for production waste. It was estimated that this would mean an over-all reduction in current newsprint consumption of about 10 per cent. However, it was found that this reduction was not sufficient, and a further cut has been authorized.

On July 5 the War Production Board, on the recommendation of its Newspaper Industry Advisory Committee, issued an amendment to Order L-240 calling for a 5 per cent reduction in newsprint consumption for the third quarter, beginning July 1, 1943. However, this order does not apply to the first 25 tons for newspapers using less than 500 tons per quarter, and thus is designed to aid the operation of smaller papers.

## NEW INVENTORY AND DELIVERY REGULATIONS

Despite the fact that both United States and Canadian production facilities have been expanded to the utmost, paper stocks are low and supplies are limited. In addition, United States publishers have been ordering more paper than they actually require. While Canadian deliveries are limited to 210,000 tons per month, United States publishers ordered about 12 to 13 per cent more paper than Canada agreed to supply, and the Canadian authorities were forced to reduce deliveries by these percentages. United States mills were also receiving orders in excess of their present production of 61,000 tons per month and were having difficulty in filling orders equitably.

Consequently, in accordance with the recommendation of the Newspaper Industry Advisory Committee, the War Production Board, on July 14, issued another amendment to Order L-240 to cover inventories and deliveries of newsprint paper. Under this amendment, effective August 1, 1943, all newspaper publishers in the United States are required by the War Production Board to reduce their orders of print paper to their quotas for consumption, and a majority of the publishers must, in addition, reduce their inventories from 75 to 50 days' supply.

After August 1, unless specifically authorized, United States publishers may not accept delivery of print paper in any one month in excess of one-third of their current quarterly quota, plus a similar proportion of any additional quarterly tonnage granted by the War Production Board after an appeal. The smaller papers, whose deliveries, limited by the above, amount to a fraction of a carload, may, however, increase their receipts to one carload a month.

The new limitation holds inventories of each newspaper to 50 days' supply in the 26 Northeastern States located north of the northern boundary of North Carolina and east of the Rocky Mountains and in the District of Columbia. Newspapers in these 26 states use approximately 80 per cent of the newsprint consumed in the United States. However, an inventory of 75 days' supply is permitted in the 22 states in the South and on the West Coast. All inventories are based on average daily rate of consumption during the first six months of 1943.

Unless specifically authorized, no publisher may accept delivery of print paper if his inventory of paper on hand, available for use, or in transit, exceeds two carloads, or, if in excess of two carloads, amounts to more than 50 to 75 days' supply, dependent upon his location under the inventory regulation.

## NEWSPRINT PRICES

The Office of Price Administration and the Canadian Wartime Prices and Trade Board jointly announced on July 21 that the ceiling price for standard newsprint paper will be increased by \$4 per ton, effective September 1, 1943. This increase will lift the manufacturers' ceiling "port price" to \$58 per ton, and maximum prices for the various zones will be adjusted accordingly. Other grades of newsprint which come under United States Maximum Price Regulation No. 130 also are increased by \$4 per ton. "Side run news", for example, will be advanced to \$58 per ton, and super-standard newsprint to \$61.50 per ton "port" ceiling.

Although the Canadian mills had appealed for an increase of \$6 per ton and the United States mills from \$5 to \$6 per ton, and although the Office of Price Administration announced that increased costs of wood procurement in both the United States and Canada necessitated an increase in price, a larger rise than \$4 could not be justified.



### OUTLOOK

The North American newsprint mills are endeavouring to produce 3,900,000 tons of paper in 1943, and to achieve this objective will require every cord of wood that can be obtained, no reduction in power, and no further depletion of operating labour.

On the basis of present consumption, it is estimated that the United States will use 3,760,000 tons of newsprint by December 31, 1943, or 290,000 tons in excess of the 3,470,000 tons estimated by the United States and Canadian officials. Due to the limitations on production, it is doubtful if the supply will be sufficient to meet this volume of consumption.

It is not yet apparent that the new 5 per cent reduction in consumption will meet the situation and whether or not further cuts will be recommended by the Newspaper Industry Advisory Committee will depend on what happens in July and August both as regards supply and consumption.

The key to the newsprint supply situation is the wood supply, and back of this is the manpower situation. Publishers feel that, if sufficient manpower is available in Canada, there can be a reasonably adequate supply of newsprint. In the United States a plan is being worked out to enlist the support of newspapers in a drive to increase the flow of wood-pulp; it will be concentrated in the pulpwood-producing states.

It is hoped that Canada will export to the United States 1,550,000 cords of wood and 1,200,000 tons of pulp in 1943 and partially make up for the United States production shortage. These Canadian shipments will be out of newsprint producers' potential inventories. Only increased production of pulpwood in the United States can prevent greater diversion of Canadian wood and pulpwood into manufacture for more direct war uses. Since only 5 to 6 per cent of United States pulpwood production goes into newsprint the drive will emphasize the more direct war uses in its appeal for pulpwood.

While the new adjustment in price may not be large enough for each individual mill to earn a profit, the publishers and manufacturers are of the opinion that the new increase will help to ensure continued production of newsprint requirements of the United States.

## NEW ZEALAND TRADE AND ECONOMIC NOTES

C. B. BIRKETT, ACTING TRADE COMMISSIONER

### Issue of Tires for Cars

Auckland, June 1, 1943.—Important changes in the procedure governing the issue of motor-car tires and tubes have been approved by the New Zealand Cabinet. According to the Minister of Supply, "a close investigation of our stock and usage figures reveals that in certain sizes the quota can now be increased slightly in order to afford some relief to those car-owners who, while not coming within the eligibility list, nevertheless use their vehicles to a considerable extent for work of national importance. The increase operates forthwith, but naturally it is subject to revision." The Minister went on to say that any ban on dealing in second-hand tires has now been lifted to the extent that permission has been granted to authorized tire resellers to purchase used tires from private or other sources and to sell them under permit. To obtain a used tire the car-owner must establish the need for replacement, in addition to obtaining a permit in the ordinary way. It is obligatory for the car-owner purchasing a tire or tube, new or used, to hand over to the scrap collection the tire or tube being replaced.



No car tires can be imported into New Zealand for approximately twelve months, owing to the operation of a strict quota system between the Allied Nations.

The Minister stated that "the measure of relief given to car-users under the new procedure is made possible by greater utilization of the existing stocks of those sizes which experience has shown are not now being used to so great an extent by cars coming within the eligibility list. The position has also been helped by the manufacture in New Zealand of 'B' grade retreading rubber from used tires, tubes and other rubber articles which were collected some months ago."

### **Proposed Pulp and Paper Mill**

According to a report published by the New Zealand Forest Products Ltd., renewed efforts are being made by this firm to obtain from the New Zealand Government a licence to erect and operate a pulp and paper mill. It is claimed that such a mill would absorb as raw material the company's pine trees, the forests of which cover some 170,000 acres. A decision by the Government is expected in the near future.

The delay in granting the licence has been due to the fact that the Government has been considering the matter of the erection of a mill to process the substantial quantity of timber it controls and, as stated by the Minister of Industries and Commerce, the whole question will have to be reviewed along with the Government's broad policy of forest utilization. The New Zealand Forest Products Ltd. has already, as previously reported, erected an insulating-board mill which is now in successful operation. The company has 70,000 shareholders resident throughout the Empire, who have invested some £6,000,000 in the enterprise.

### **Standardized Bread**

Regulations fixing standardized types of bread will come into force in New Zealand on May 3, 1943. Prepared to effect conservation of manpower and oven space, they are designed to concentrate production on a simplified range of loaf shapes. They also serve to eliminate confusion that had developed because of a lack of clear definition of loaf weights. Altogether they provide for six types in any one district.

Some of the fancy types of loaves, such as those known as cake, twist and concertina, will no longer be baked, but other types will continue unaltered. A consumer will now be able to demand a 2-pound loaf or a 1-pound 12-ounce "split", either white or wholemeal, and it will be an offence for a baker to refuse to supply them. However, most bakers are already turning out bread of these weights.

Besides the six types, there is provision for the approval of a type known as "special" bread. However, no nutritional, dietetic or medicinal properties may be claimed for it without the approval of the Director-General of Health.

### **Imports of Fabrics**

Considerable satisfaction has been expressed over a report from the United Kingdom that special licences are being issued for the export to New Zealand of certain types of wool fabric in accordance with a request from the New Zealand Government. The cloths required are woollen overcoating, heavy tweeds and white flannel. The quota previously granted to New Zealand, together with local production, has been much less than was required to meet the minimum needs of the community, and it is hoped that the additional allocations will meet essential requirements.

## CIVILIAN SUPPLIES IN NYASALAND

H. L. BROWN, CANADIAN TRADE COMMISSIONER

Johannesburg, June 25, 1943.—In February of this year the Government of Nyasaland established its Production and Supply Council under the chairmanship of the Financial Secretary and with a membership made up of the controllers of essential supplies and prices, of transport, of production and food, and of imports and exports. The headquarters of the Controller of Supplies and Prices are in Blantyre.

### IMPORT PROGRAM

The Colonial Office has requested the submission of import programs by the Colonies, including Nyasaland, in order to obtain allocations of various commodities in short supply. Questionnaires have therefore been submitted to all importers. Commercial channels have been closed for certain classes of goods, and bulk orders are placed by the Supply Control office for distribution through the trade. Bulk purchasing is applied to commodities such as semi-manufactured iron and steel, hoop and baling iron, bearings, machine and hand tools, motor vehicles and spares.

Import programs are in course of submission to the United States and have been submitted to South Africa. Supplies are also obtained from Southern Rhodesia. Joint Anglo-American planning is expected to result in the United States becoming the sole source of supply for certain commodities, while others will be released from the United Kingdom only. The Supply and Price Controller has advised importers with no trade connections in the United States to arrange such connections immediately.

### SUPPLIES FOR THE TOBACCO AND TEA INDUSTRIES

To safeguard supplies essential to the two important industries of the Colony—tobacco and tea—the Controller acts in co-operation with the Nyasaland Tobacco Association, the Nyasaland Tobacco Exporters Association, and the Nyasaland Tea Association. Individual requirements must be submitted to the appropriate association for presentation, on behalf of the industry as a whole, to the Controller. Similarly the Controller consults with the Associations.

### SPECIFIC COMMODITIES

*Iron and Steel.*—Orders placed for iron and steel through the former Supply Board in 1942 are arriving. Nails are sold only under permit for precise purposes.

*Glass.*—Glass is in short supply, and no, or few, permits for sale are being issued. A quota of bottles for medicinal purposes has been granted by South Africa.

*Agricultural Machinery.*—Requirements in agricultural machinery are modest, and importation through commercial channels is again permitted. The trade may place orders in the United Kingdom for limited numbers of ploughs, corn mills, and separators.

*Typewriters.*—An allocation has been granted for supplies of typewriters from the United States, and a bulk order placed; on arrival they will be distributed through the trade under permit. Commercial importation is suspended.

*Sundry.*—Allocations have been granted for supplies from the United Kingdom, for import under licence through normal trade channels, of electric light bulbs, lamp globes, flashlight cases, leather footwear, bicycles and parts, crown corks, woollen and worsted yarns, kerosene refrigerators, and scales and balances.

## CONDITIONS IN MOZAMBIQUE IN 1942

H. L. BROWN, CANADIAN TRADE COMMISSIONER

Johannesburg, June 23, 1943.—The Colony of Mozambique (Portuguese East Africa) ranks second to Angola (Portuguese West Africa) in size among the eight overseas possessions of the Republic of Portugal; in importance Mozambique ranks first. Its total area is nearly 300,000 square miles, and the population aggregates nearly 4,650,000 of which 22,658 are of European origin.

Business as a whole was steady in 1942, but prices have increased in marked degree. There has been a sharp decline in tourist traffic. The ports have been adversely affected by the reduction in the number of vessels calling; the goods landed have decreased in volume from 758,748 short tons in 1940 to 503,868 in 1942.

### FINANCES

There has been a substantial surplus in the accounts of the Colony for the past five years, and in 1941 and 1942 the policy was adopted of allocating accumulated balances to a Development Fund for the fulfilment of development plans over a period of years. These plans include extensions of railway lines, establishment of cattle-breeding and other agricultural stations, irrigation schemes in the valleys of the Limpopo and the Umbeluzi, construction and repair of main roads, a survey of the port of Nacala, and other projects, many of which are under way.

### MINING

Mining is developing slowly and does not yet constitute an important phase of activity; geographical and transport difficulties are among the obstacles. Graphite is being produced, and prospecting for oil continues. Coal deposits in seams of up to twenty-five feet and totalling upwards of 100,000,000 tons are reported north of the Zambesi river; a company is engaged in development work. Iron, copper and alluvial gold are known to exist but development is very small.

### INDUSTRY

Various enterprises are engaged in the production of bricks, cement, furniture, oils, perfumes, soap, beer, confectionery, ice, macaroni, tobacco and cigarettes, and there is also an engineering works and a small tannery in operation. Fishing is sufficient to meet local demands. There is a small production of raw rubber.

### AGRICULTURE

The most important aspect of economic activity is related to agriculture, products of which make up the bulk of colonial exports (shown as raw materials in the appended table). Production in recent years has suffered from drought and flood, but last year was a good one and high prices were obtained for exports. Vegetable oil, nutmeats and oils are important, although cotton has been particularly outstanding in the past year. Sugar, sisal and fruit are other crops. The supply of cattle is sufficient only for domestic needs.

### FOREIGN TRADE

The main features of the foreign trade of the Colony in 1942, as compared with 1941, is a decrease of more than 8 per cent in the volume of total imports for consumption, while the value showed an increase of over 28 per cent. On the other hand, exports of the Colony's produce in 1942, as against 1941, increased by over 4 per cent in volume and by more than 70 per cent in value. In brief the Colony is suffering some shortage of imported goods and is paying enhanced prices for them but is obtaining substantial returns on exports.



The volume and value of Mozambique's foreign trade by main headings in 1942 and 1941 are as follows; one metric ton equals 2,204 pounds; one conto is approximately equivalent to \$45 Canadian:—

### *Foreign Trade of Mozambique*

	Imports for Consumption		Exports of Colonial Produce	
	Metric Tons	Contos	Metric Tons	Contos
	1942	1941	1942	1941
Total . . . . .	237,950	259,366	567,579	442,568
Live animals. . . . .	330	311	1,748	1,405
Raw materials. . . . .	176,883	180,082	92,474	67,959
Textiles . . . . .	6,254	4,932	157,959	102,842
Foodstuffs. . . . .	38,810	57,896	134,152	127,974
Equipment . . . . .	4,151	4,888	65,795	67,556
Sundry manufactures..	11,522	11,257	115,451	74,832

Imports for consumption from Canada were valued at 5,816 contos (about \$261,720) in 1942 as compared with 10,672 contos (\$480,240) in 1941. Some of the main items imported in 1942, with approximate equivalent values in Canadian dollars, were: Wheat flour, \$95,175; automobiles and parts, \$34,965; wood, \$26,505; wood manufactures, \$18,585; metals and their products, \$22,860; paper and its products, \$10,575; agricultural equipment, \$8,145; chemicals, \$2,655; canned food, \$1,935; rolled oats, etc., \$1,845; other foods, \$1,665; whisky, \$900; lubricants, \$720; textile products, \$405.

## PERUVIAN GOVERNMENT CONTROL OF SCRAP IRON

W. G. STARK, ACTING TRADE COMMISSIONER

Lima, July 9, 1943.—Under date September 30, 1942, a Resolution, issued by the Ministry of Public Works, ordered an inventory of all scrap iron in Peru. The inventory was to be completed within six months and to be carried out by the Directorate of Mines and Petroleum of that Ministry. Beginning December 31, 1942, all machine shops, foundries and other establishments using scrap iron were ordered to advise the Directorate of Mines and Petroleum every six months as to the precise tonnage of such scrap that they may require for the coming six months. All transactions in scrap iron from September 30, 1942, onward must be registered with and viséd by the Directorate.

On May 6, 1943, a further Resolution was issued amplifying the control of the movement of scrap iron. A resumé of the six articles comprised therein is given below:

Article 1 of the Resolution of May 6 orders owners of scrap iron to report quarterly to the Peruvian Directorate of Mines and Petroleum the amount and weight of old iron in their possession, its origin, number of units, type, and general characteristics from the viewpoint of commercial classification.

Article 2 provides that the report shall indicate the location of the iron in question and the purpose for which it has been or may be intended.

Article 3 provides that any commercial entity acquiring old iron must present a quarterly report of what has been purchased, with the exception of the following articles: iron or steel cables of less than half an inch diameter, wire netting, piping accessories, screws and nuts, bolts, nails, and clasps.

Article 4 states that machinery, equipment, implements and accessories in use need not be reported by their owners.

Article 5 provides that iron material acquired or owned, may not be transferred without the express authorization of the Directorate of Mines and Petroleum.

Article 6 states that failure to comply with the provisions of this Resolution or of the Resolution of September 30, 1942, will result in the confiscation of the materials not reported or that have been reported irregularly.

## FOREIGN TRADE OF CHILE IN 1941

M. J. VECHSLER, CANADIAN COMMERCIAL ATTACHÉ

### V. Principal Imports of Interest to Canada—Con.

(Values are in Chilean pesos of 6d. gold; one metric ton equals 2,204 pounds; one kilo equals 2.2 pounds; one quintal equals 220 pounds)

Following is a statistical summary of additional imports into Chile in 1941, showing for each item the total imports in that year, with comparative figures for 1940 within parentheses and the principal sources of supply:—

#### MISCELLANEOUS MANUFACTURES

##### PREPARED STONES AND EARTHS

*Vitreous Compositions for Enamelling and Glass Colouring.*—Total imports, 286,922 kilos, 307,728 pesos (207,871 kilos, 189,324 pesos): United States, 286,655 kilos (304,836 pesos); the remainder came from the United Kingdom.

*Asbestos in Sheets.*—Total imports, 121,619 kilos, 143,224 pesos (114,776 kilos, 157,178 pesos): United States, 92,226 kilos (107,946 pesos); United Kingdom, 29,335 kilos (34,316 pesos).

*Asbestos in Fibre, Pulp or Pulverized.*—Total imports, 1,054,837 kilos, 605,670 pesos (902,677 kilos, 475,007 pesos): United States, 920,703 kilos (542,522 pesos); United Kingdom, 134,127 kilos (63,093 pesos).

*Asbestos, Worked, in any Form, not Specified, with or without Metallic Parts, Rubber or Textile Materials, for the Manufacture of Packing.*—Total imports, 32,112 kilos, 141,639 pesos (52,137 kilos, 158,607 pesos): United States, 15,376 kilos (83,129 pesos); United Kingdom, 15,854 kilos (51,313 pesos).

*Cement, Portland, Roman, etc.*—Total imports, 309,313 quintals, 2,685,202 pesos (1,37,414 quintals, 1,045,556 pesos): United States, 206,473 quintals (2,064,274 pesos); Argentina, 100,646 quintals (575,147 pesos).

#### MANUFACTURED CERAMICS, GLASSWARE, STONEWARE AND EARTHENWARE

*Mica, Prepared, in Bars, Tubes or Sheets.*—Total imports, 2,905 kilos, 38,308 pesos (2,857 kilos, 37,080 pesos): United States, 2,873 kilos (37,860 pesos).

*Bottles, Flasks and Tubes, weighing over 50 Grams, not Engraved, etc.*—Total imports, 105,931 kilos, 148,430 pesos (91,690 kilos, 101,204 pesos): United States, 104,788 kilos (143,842 pesos).

*Sanitary Articles to be Connected With Potable-water Systems.*—Total imports, 801,211 kilos, 1,418,686 pesos (926,742 kilos, 1,676,427 pesos): United States, 505,105 kilos (890,393 pesos); United Kingdom, 246,225 kilos (466,158 pesos).

*Refractory Bricks.*—Total imports, 38,385 quintals, 1,191,054 pesos (52,556 quintals, 1,520,756 pesos): United States, 38,637 quintals (1,180,338 pesos).

*Sandpaper, Emery Paper, or Emery Cloth.*—Total imports, 111,235 kilos, 295,280 pesos (157,865 kilos, 286,093 pesos): United States, 91,688 kilos (253,649 pesos).

*Glass Piping or Tubing, for Levels, Laboratories, and Other Uses, not Specified.*—Total imports, 78,194 kilos, 151,178 pesos (17,536 kilos, 51,775 pesos): United States, 74,744 kilos (137,939 pesos).

*Glass for Eye-glasses, Watches, and Semi-worked Pieces, for Making Lenses and Eye-glasses.*—Total imports, 1,731 kilos, 94,633 pesos (1,433 kilos, 91,921



pesos): United States, 985 kilos (58,531 pesos); Germany, 144 kilos (14,012 pesos); Japan, 331 kilos (6,667 pesos); Argentina, 221 kilos (9,393 pesos).

*Ordinary Window Glass, Plain-surfaced, not Coloured, not exceeding 4 mm. in Thickness.*—Total imports, 191,707 kilos, 431,716 pesos (1,008,266 kilos, 370,465 pesos): Japan, 752,643 kilos (299,104 pesos); United States, 141,250 kilos (96,896 pesos).

*Ordinary Window Glass, Plain-surfaced, not Coloured, exceeding 4 mm. in Thickness.*—Total imports, 373,506 kilos, 291,481 pesos (613,082 kilos, 474,915 pesos): United States, 248,651 kilos (205,268 pesos); Belgium, 55,117 kilos (54,168 pesos).

*Articles of Glass or Crystal, not Specified, etc.*—Total imports, 274,286 kilos, 454,786 pesos (111,997 kilos, 219,203 pesos): United States, 214,511 kilos (360,057 pesos); Argentina, 46,856 kilos (65,811 pesos).

#### PREPARED LUMBER

*Veneers for Furniture.*—Total imports, 54,935 kilos, 121,461 pesos (85,848 kilos, 208,486 pesos): United States, 53,970 kilos (118,099 pesos).

*Sheets or Bars of Wood Fibre Paste.*—Total imports, 47,636 kilos, 54,698 pesos (20,784 kilos, 24,231 pesos): United States, 47,252 kilos (54,411 pesos).

#### MANUFACTURES OF GUM, RUBBER, CELLULOID AND SIMILAR PRODUCTS

*Articles Manufactured of Celluloid, Bakelite and Analogous Compositions.*—Total imports, 14,792 kilos, 730,530 pesos (11,747 kilos, 509,421 pesos): United States, 9,962 kilos (621,768 pesos); Japan, 3,200 kilos (59,585 pesos).

*Articles, not Specified, Manufactured of Elastic Gum, Vulcanized (Hard) Rubber, Gutta Percha, Balata and Other Similar Resins.*—Total imports, 37,726 kilos, 409,134 pesos (36,361 kilos, 393,661 pesos): United States, 33,989 kilos (362,712 pesos).

*Tubing or Hose, and Their Connections, not Containing Silk.*—Total imports, 224,273 kilos, 807,296 pesos (209,397 kilos, 735,254 pesos): United States, 215,058 kilos (779,949 pesos).

*Gum Rubber, Gutta Percha, Balata and Similar Other Resins, in Sheets of any Form, being Coloured or Not or having Cloth, Metal or Other Material, for Any Use, not Specified.*—Total imports, 196,322 kilos, 303,441 pesos (63,954 kilos, 218,249 pesos): United States, 187,232 kilos (269,186 pesos).

*Elastic Thread, not Over 15 Grams for Each 10 Metres.*—Total imports, 30,338 kilos, 182,403 pesos (26,714 kilos, 179,641 pesos): Japan, 18,804 kilos (71,444 pesos); United States, 7,209 kilos (65,756 pesos); United Kingdom, 2,881 kilos (31,756 pesos); Canada, 1,339 kilos (12,633 pesos).

*Shoes and All Kinds of Footwear of Rubber, not Specified.*—Total imports, 225,687 kilos, 928,833 pesos (115,234 kilos, 629,597 pesos): United States, 178,517 kilos (771,205 pesos); Japan, 30,931 kilos (79,772 pesos); Canada, 13,873 kilos (66,740 pesos).

*Shoes and All Kinds of Cloth Footwear, even containing Silk, with Rubber Sole, measuring Over 22 Cms.*—Total imports, 46,116 pairs, 265,813 pesos (43,231 pairs, 132,565 pesos): United States, 30,618 pairs (242,488 pesos).

#### LEATHER GOODS, FURRIERS ARTICLES AND DERIVATIVES

*Purses and Other Manufactured Articles, not Specified.*—Total imports, 4,109 kilos, 144,337 pesos (1,714 kilos, 91,967 pesos): United States, 2,045 kilos (84,940 pesos); Argentina, 2,002 kilos (52,340 pesos).



*Gloves, and Other Special Protectors for Workmen.*—Total imports, 4,055 kilos, 49,532 pesos (3,588 kilos, 40,132 pesos): United States, 4,045 kilos (49,346 pesos).

*Imitation Caracul, Astrakan, Wolf and Fox, not Specified.*—Total imports, 1,333 kilos, 143,363 pesos (189 kilos, 23,525 pesos): United States, 1,167 kilos (118,008 pesos); the remainder came from Argentina.

*Ermine and Silver Fox Skins.*—Total imports, 152 kilos, 46,405 pesos (52 kilos, 7,259 pesos): Argentina, 99 kilos (29,785 pesos): United States, 45 kilos (12,820 pesos); Belgium, 4 kilos (2,650 pesos); Canada, 4 kilos (1,150 pesos).

#### PAPER AND CARDBOARD

*Bags or Sacks for Wrapping.*—Total imports, 18,610 kilos, 49,589 pesos (39,475 kilos, 77,065 pesos): United States, 15,353 kilos (46,140 pesos); Argentina, 3,212 kilos (2,881 pesos).

*Boxes, Suitcases or Trunks of Cardboard or Cellulose.*—Total imports, 9,669 kilos, 46,977 pesos (10,562 kilos, 26,635 pesos): United States, 7,023 kilos (40,067 pesos); United Kingdom, 2,022 kilos (3,579 pesos).

*Construction Cardboard or Paper, over 4 mm. Thickness, prepared with Asbestos, Pitch, and Vegetable Fibre.*—Total imports, 128,718 kilos, 87,078 pesos (103,776 kilos, 58,690 pesos): United States, 125,040 kilos (84,072 pesos).

*Paper weighing less than 150 Grams per Square Metre especially for Newspapers and Reviews, White or in Colour etc.*—Total imports, 9,520,292 kilos, 3,352,334 pesos (10,344,045 kilos, 3,286,538 pesos): United States, 7,880,368 kilos (2,798,206 pesos); Canada, 920,858 kilos (325,121 pesos); Sweden, 660,659 kilos (204,702 pesos).

*Paper, White or with a Light Tone of Another Colour, without Animal Sizing, whether or not containing Mechanical Wood-pulp.*—Total imports, 414,058 kilos, 324,841 pesos (281,893 kilos, 264,884 pesos): United States, 342,015 kilos (280,966 pesos).

*Wallpaper, Gilded or Silvered, in Reliefs or Variations, etc.*—Total imports, 6,414 kilos, 12,598 pesos (7,573 kilos, 11,376 pesos): Canada, 5,791 kilos (11,504 pesos); the remainder came from the United States.

*Paper of Other Kinds, weighing over 90 Grams per Square Metre.*—Total imports, 5,726 kilos, 10,328 pesos (22,359 kilos, 32,263 pesos): Canada, 3,398 kilos (6,500 pesos); United States, 2,327 kilos (3,541 pesos).

*Cigarette Paper in Rolls.*—Total imports, 224,937 kilos, 733,641 pesos (208,682 kilos, 738,471 pesos): Finland, 68,625 kilos (232,485 pesos); Italy, 47,130 kilos (220,842 pesos); Spain, 75,386 kilos (162,662 pesos); United States, 26,782 kilos (96,830 pesos).

*Paper, Albumenized and Sensitized for Lithographers, including Cards, even when Printed.*—Total imports, 53,669 kilos, 401,320 pesos (38,492 kilos, 229,810 pesos): United States, 39,557 kilos (302,501 pesos); United Kingdom, 9,824 kilos (54,166 pesos); Germany, 3,400 kilos (34,664 pesos).

*Carbon Paper.*—Total imports, 34,685 kilos, 290,134 pesos (32,511 kilos, 259,370 pesos): United States, 21,722 kilos (184,825 pesos); United Kingdom, 8,825 kilos (67,692 pesos).

*Cellophane Paper.*—Total imports, 55,073 kilos, 225,562 pesos (91,541 kilos, 362,729 pesos): United States, 37,661 kilos (165,946 pesos); Japan, 12,730 kilos (40,094 pesos).

*Blotting Paper.*—Total imports, 69,460 kilos, 70,359 pesos (55,906 kilos, 59,953 pesos): United States, 69,392 kilos (70,229 pesos).

*Paper for Wrapping and Other Non-specified Purposes, weighing from 22 to 150 Grams per Square Metre.*—Total imports, 205,580 kilos, 364,523 pesos (223,249 kilos, 291,341 pesos): United States, 187,658 kilos (340,427 pesos).

*Paper for Wrapping and Other Non-Specified Purposes, weighing over 150 Grams per Square Metre.*—Total imports, 145,972 kilos, 224,579 pesos (120,976 kilos, 184,028 pesos): United States, 112,919 kilos (190,394 pesos).

#### ARMS AND MUNITIONS

*Cartridges and Shells for Fire-arms of Cardboard, loaded even though with One Powder, with or without Metal Pieces.*—Total imports 67,666 kilos, 292,846 pesos (35,250 kilos, 216,321 pesos): United States, 49,328 kilos (229,188 pesos).

#### JEWELLERY AND WATCH-MAKERS' GOODS

*Imitation Jewellery of Ordinary Metal, not Iron, Gilded or Plated, etc.*—Total imports, 1,559 kilos, 163,854 pesos (1,033 kilos, 101,762 pesos): United States, 1,336 kilos (142,274 pesos).

*Imitation Jewellery, not Specified.*—Total imports, 5,446 kilos, 310,140 pesos (3,155 kilos, 148,052 pesos): United States, 4,552 kilos (268,003 pesos).

*Pocket Watches, whether or not Nickelless, Plated, Gilded or covered with Precious Metal.*—Total imports, 109,341 units, 1,588,901 pesos (101,939 units, 1,368,522 pesos): Switzerland, 88,999 units (1,322,302 pesos); United States, 9,553 units (143,626 pesos).

*Clocks of Any Kind, not of Precious Metals, Table, Musical or not.*—Total imports, 33,995 kilos, 299,663 pesos (20,017 kilos, 244,685 pesos): United States, 17,411 kilos (189,809 pesos); Italy, 16,413 kilos (101,890 pesos).

#### ARTICLES AND INSTRUMENTS FOR THE SCIENCES, ARTS AND THEIR APPLICATION

*Lenses or Glasses with Frames of non-specified Materials.*—Total imports, 9,617 kilos, 269,858 pesos (5,195 kilos, 142,226 pesos): United States, 7,062 kilos (177,867 pesos); Argentina, 347 kilos (35,181 pesos); Japan, 2,045 kilos (32,691 pesos).

*X-ray and Other Similar Apparatus, not Specified and Their Parts and Repairs.*—Total imports, 32,252 kilos, 498,902 pesos (42,114 kilos, 536,202 pesos): United States, 24,156 kilos (390,413 pesos); Germany, 191 kilos (50,445 pesos); Brazil, 7,589 kilos (45,710 pesos).

*Balances and Scales up to 50 Kilos, etc.*—Total imports, 26,440 kilos, 135,660 pesos (28,228 kilos, 143,840 pesos): United States, 19,646 kilos (96,355 pesos); Brazil, 5,919 kilos (29,938 pesos).

*Gramophones and Parts.*—Total imports, 59,434 kilos, 429,092 pesos (57,566 kilos, 335,296 pesos): United States, 19,658 kilos (223,794 pesos); Japan, 39,231 kilos (199,375 pesos).

*Radio-receiving Sets and Parts.*—Total imports, 364,154 kilos, 4,977,939 pesos (293,758 kilos, 3,906,409 pesos): United States, 299,790 kilos (3,880,453 pesos); Argentina, 60,201 kilos (1,039,752 pesos).

*Telephone Receivers and Parts.*—Total imports, 8,200 kilos, 202,058 pesos (28,342 kilos, 555,740 pesos): United States, 4,127 kilos (129,005 pesos); China, 1,961 kilos (24,560 pesos); Sweden, 756 kilos (22,000 pesos).

*Positive Photographs on Celluloid Film.*—Total imports, 18,664 kilos, 2,982,446 pesos (17,581 kilos, 2,806,770 pesos): United States, 13,766 kilos (2,424,642 pesos); Argentina, 4,064 kilos (436,649 pesos).

*Machinery and Apparatus for the Pure and Applied Sciences, Not Specified, having a Net Weight up to 20 Kilos.*—Total imports, 11,327 kilos, 328,443 pesos (6,781 kilos, 263,861 pesos): United States, 9,115 kilos (103,632 pesos); Germany, 1,046 kilos (88,234 pesos).



*Calculating Machines.*—Total imports, 32,050 kilos, 970,384 pesos (24,691 kilos, 772,146 pesos): United States, 29,712 kilos (912,663 pesos); Sweden, 2,298 kilos (50,741 pesos).

*Typewriters and Parts.*—Total imports, 136,571 kilos, 1,953,646 pesos (123,695 kilos, 1,675,865 pesos): United States, 133,128 kilos (1,899,145 pesos).

*Photographic Sensitized Film, Undeveloped.*—Total imports, 86,207 kilos, 1,334,637 pesos (49,294 kilos, 667,328 pesos): United States, 70,589 kilos (1,156,282 pesos); Germany, 15,525 kilos (176,336 pesos).

*Thermometers, Barometers, etc.*—Total imports, 12,466 kilos, 325,924 pesos (7,666 kilos, 245,995 pesos): United States, 11,303 kilos (265,204 pesos).

#### MISCELLANEOUS ARTICLES AND MANUFACTURES

*Brushes, Toilet, for Personal Use.*—Total imports, 8,467 kilos, 213,554 pesos (6,611 kilos, 136,183 pesos): United States, 4,424 kilos (149,179 pesos); Japan, 3,389 kilos (49,868 pesos).

*Mechanical Toys and Repair Parts.*—Total imports, 38,026 kilos, 319,033 pesos (26,585 kilos, 205,385 pesos): United States, 24,728 kilos (233,497 pesos); Japan, 8,673 kilos (45,563 pesos); Brazil, 2,252 kilos (25,004 pesos).

*Toys not Specified, including Children's Tricycles and Velocipedes.*—Total imports, 58,488 kilos, 277,410 pesos (30,650 kilos, 152,178 pesos): United States, 42,174 kilos (206,117 pesos); Argentina, 8,033 kilos (29,740 pesos).

*Pencils of Wood or Other Materials, Whether Rubber or Metal Tipped.*—Total imports, 67,076 kilos, 506,750 pesos (55,002 kilos, 388,161 pesos): United States, 31,613 kilos (298,773 pesos); Brazil, 16,705 kilos (120,975 pesos); United Kingdom, 6,386 kilos (52,439 pesos); Japan, 12,359 kilos (34,471 pesos).

*Balls, with or without Cloth or Leather Covers, such as Tennis, Golf, Football, etc.*—Total imports, 11,570 kilos, 145,016 pesos (11,294 kilos, 135,148 pesos): United Kingdom, 2,971 kilos (43,580 pesos); United States, 2,798 kilos (34,530 pesos); Japan, 2,937 kilos (31,531 pesos); Argentina, 2,352 kilos (25,967 pesos).

*Refrigerators of All Kinds.*—Total imports, 358,926 kilos, 1,162,192 pesos (282,697 kilos, 913,762 pesos): United States, 356,759 kilos (1,157,309 pesos).

*Silver in Bars or Ingots.*—Total imports, 5,973,114 grams, 331,354 pesos (19,820,054 grams, 1,104,543 pesos); all from the United States.

### CONTROL OF EXPORTS FROM CANADA

#### ADDITIONS TO LIST OF PRODUCTS AFFECTED

By Order in Council P.C. 5787, effective July 26, 1943, the following commodities are added to the list of those the exportation of which is prohibited except under permit from the Export Permit Branch, Department of Trade and Commerce, Ottawa:—

#### GROUP 1—AGRICULTURAL AND VEGETABLE PRODUCTS

Apples, peaches, pears and plums, fresh

Tree fruits, n.o.p., fresh

Tobacco, leaf

Tobacco, cut

Cigars, cigarettes, snuff, and manufactured tobacco, n.o.p.

By Export Permit Branch Order No. 74, also effective July 26, 1943, the last three of the items listed above are exempted from requiring an export permit when shipped to members of the Canadian armed forces abroad, or when shipped by or consigned to the Navy, Army and Air Force Institutes for use in canteens abroad.



## TARIFF CHANGES AND TRADE REGULATIONS

### Australia

#### TEXTILE IMPORTS FROM THE UNITED KINGDOM

Mr. K. F. Noble, Acting Canadian Trade Commissioner in Sydney, reports that Licensing Instruction No. 43/39 issued under date June 8, 1943, by the Division of Import Procurement, Australian Department of Trade and Customs, has amended the import procedure in connection with 37 classifications of cotton textiles when of United Kingdom origin, including book cloth, calico for oilskin coats, glazed calico for the rubber trade, white calico for bag making, cambric and madapolam, cloths for umbrella manufacture, collar cloths, corduroy, corset cloths; dungaree, flannelette, gabardine for shower-proof coats, printed and white haircord, handkerchief cloth, headcloth, japara, lawn, limbric, moleskins, bleached and grey mop cloth, mosquito net, butter muslin, nursery squares, white organdie, pillow cotton, bleached sheeting, work shirting, shoe linings, bed ticking, tea and huckaback towelling, trimmings, cotton tweed for industrial clothing, velveteens, white and printed voile, window holland. In these lines government sponsorship of approved individual applications for "permission-to-import" has been discontinued.

The United Kingdom has established a system whereby the types of cotton piece-goods mentioned in the above list will be produced in units of at least 50,000 yards and released for export to Australia through usual commercial channels and consigned to the customary importers on the basis of an aggregate requisition placed by the Division of Import Procurement.

The Commonwealth Government has furnished a statement of the quantities required against allocation in each type of cotton textiles, cotton yarns and sewing threads, and the suppliers in the United Kingdom, after allocation of supplies on the basis of exports to Australia in the calendar year, 1940, will then quote their Australian customers.

Local agents of United Kingdom suppliers will receive details of cotton goods available to Australia, and these representatives will sell to Australian merchants on the basis of sales of similar goods in the calendar year, 1940.

Recognizing that some dislocation of the channels of distribution may be necessary at certain times, the Australian authorities have established a panel of agents in this trade, who are to be associated with the Division of Import Procurement, in order that the distribution will be equitable or as equitable as may be possible.

The proposed system is considered to have several material advantages over the sponsorship system previously operating, since Australian merchants will in the main receive supplies of cotton within the limited allocation available strictly on the basis of supplies obtained from the United Kingdom during 1940. The allocation will be protected in that it is reserved for indirect defence, industry and civilian needs, and will not be subjected to debit by reason of orders for direct defence requirements, and is guaranteed against loss in transit.

The new procedure does not apply in the case of cotton yarns and threads, specialty cottons and ducks, which will be imported as heretofore.

### Newfoundland

#### CURRENT PRICES OF POTATOES AND CORNED BEEF

The maximum retail price of potatoes sold in Newfoundland, whether for cash or for credit, in quantities of less than one barrel, was fixed at 32 cents per gallon in an Order issued on July 17, 1943. An Order of July 19 similarly

set a maximum retail price on corned beef of not more than 40 cents per tin of approximately 15 ounces gross. These orders were issued by J. C. Puddester, Commissioner for Public Health and Welfare, in exercise of powers conferred by the Defence (Price of Goods) Regulations 1941.

### **Trinidad**

#### **IMPORTATION OF CERTAIN CARDBOARD BOXES PROHIBITED**

The Trinidad Control Board gave notice on July 8 that the importation of boxes of cardboard including folding boxes, except those used for packing of produce, and druggists' pill and ointment boxes, is prohibited from all sources.

### **British Guiana**

#### **DUTY ON LEATHER REDUCED**

A British Guiana Ordinance of May 29, 1943, reduced the British preferential tariff on undressed leather from 5 cents to 2 cents per pound, and the general rate from 15 cents to 5 cents. These rates are subject to a surtax of 30 per cent of the duty. At the same time, the rates on dressed leather, formerly 16 $\frac{2}{3}$  per cent ad valorem British preferential tariff and 33 $\frac{1}{3}$  per cent ad valorem general tariff, were reduced to 5 per cent ad valorem British preferential tariff and 10 per cent ad valorem general tariff.

#### **REDUCED DUTY ON UNDERWEAR**

The Ordinance of May 29, 1943, reduced the British preferential tariff on underwear other than shirts, socks and stockings from 15 per cent ad valorem to 2 per cent ad valorem, and the general tariff from 30 per cent ad valorem to 4 per cent ad valorem.

#### **LICENCES FOR IMPORTATION OF SOAP NOT TO BE ISSUED**

The British Guiana Controller of Supplies notified importers on June 28, 1943, that, in view of heavy stocks in the Colony and orders awaiting shipment, no import licences will be issued for common soap until further notice.

### **United States**

#### **DRIED HUCKLEBERRIES DUTIABLE AT 2 $\frac{1}{2}$ CENTS PER POUND**

A decision of the United States Customs Court, No. 788, published on July 15, 1943, held that dried huckleberries were dutiable as "berries, edible, dried" at 2 $\frac{1}{2}$  cents per pound under Paragraph 736 of the Tariff Act of 1930 rather than free of duty as "all articles of vegetable origin used for colouring" under Paragraph 1670. The reason for the decision was that the importations consisted of dried edible berries, which were specially provided for in Paragraph 736, and it was concluded that the language of the statute did not sustain the contention that the particular shipments should be classified under the free list provision in Paragraph 1670 when actually used for colouring, leaving other berries of the same kind, but used for different purposes, dutiable under Paragraph 736.

RULING ON WHEAT SHIPMENT

Another decision published on July 15, 1943, ruled a shipment of 305 bushels of wheat from Canada dutiable at 42 cents per bushel rather than at the lower rate provided for "wheat unfit for human consumption," 10 per cent ad valorem or 5 per cent under the Canada-United States trade agreement. The wheat was entered at Buffalo and transhipped through the canal system to New York to be put in bonded warehouse awaiting exportation. It was damaged by water while being unloaded from the barge upon which it was transported from Buffalo. It was held that the wheat was not unfit for human consumption when it entered either the Customs District at Buffalo or that at New York.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JULY 26, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, July 26, 1943, and for the week ending Monday, July 19, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending July 19	Nominal Quotations in Montreal Week ending July 26	Official Bank Rate
Great Britain. . . . . Pound	4.8666 Buying Selling	\$4.4300 4.4700	\$4.4300 4.4700	2 —
United States. . . . . Dollar	1.0000 Buying Selling	1.1000 1.1100	1.1000 1.1100	1 —
Mexico . . . . . Peso	.4985	.2284	.2284	4
Jamaica . . . . . Pound	4.8666 Bid Offer	4.4200 4.4800	4.4200 4.4800	— —
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. . . . . Peso (Paper)	.4245 Official Free	.3304 .2786	.3304 .2788	3½ —
Brazil. . . . . Cruzeiro (Paper)	.1196 Official Free	.0673 .0569	.0673 .0569	— —
British Guiana . . . . . Dollar	1.0138	.9313	.9313	—
Chile . . . . . Peso	.1217 Official Export	.0574 .0444	.0574 .0444	3-4½ —
Colombia. . . . . Peso	.9733	.6358	.6358	4
Venezuela . . . . . Bolivar	.1930	.3330	.3330	—
Uruguay. . . . . Peso	1.0342 Controlled Uncontrolled	.7307 .5865	.7307 .5883	— —
South Africa. . . . . Pound	4.8666 Bid Offer	4.3862 4.4590	4.3862 4.4590	3 —
Egypt . . . Pound (100 Piastres)	4.9431 Bid Offer	4.5380 4.5906	4.5380 4.5906	— —
India. . . . . Rupee	.3650	.3359	.3359	3
Australia . . . . . Pound	4.8666 Bid Offer	3.5300 3.5760	3.5300 3.5760	3 —
New Zealand. . . . . Pound	4.8666 Bid Offer	3.5440 3.5940	3.5440 3.5940	1½ —



## CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

### GENERAL

**Annual Report of the Department of Trade and Commerce.**—A summary of the activities of each of its Branches, including the Foreign Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

**Annual Report of the Board of Grain Commissioners.**—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

**Annual Report of Electricity and Gas Inspection Services.**—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

**Annual Report of Dominion Grain Research Laboratory.**—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

**List of Grain Elevators.**—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

### PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

**Commercial Intelligence Journal.**—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

### PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics:—

#### Census of Canada.

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

Canada, 1943. (Price 25 cents.)

Canada Year Book. (Price \$1.50.)

Trade (Internal), prices, cost of living, etc. (Price \$1 per annum.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

News Bulletin, Daily (Price \$1.50 per annum). Weekly (Price \$1.00 per annum.)

# COMMERCIAL INTELLIGENCE SERVICE

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**



# Commercial Intelligence Journal

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## INDEX TO THE "COMMERCIAL INTELLIGENCE JOURNAL"

The Index to the *Commercial Intelligence Journal* for the six months ended June 30, 1943 (Nos. 2031 to 2056 inclusive), is being sent out with this issue. Canadian manufacturers and exporters are strongly advised to file all numbers of the *Commercial Intelligence Journal* for future reference and to preserve them, with the Index, in bound volumes or in some other convenient form. Back numbers of the Index, as well as additional copies, may be had free of charge on application to the Department of Trade and Commerce, Ottawa.

## PEAT FUEL DEVELOPMENT IN IRELAND

E. L. McCOLL, CANADIAN TRADE COMMISSIONER

### I. Production Methods

Dublin, July 3, 1943.—Ireland possesses little wood and almost no coal, but has unlimited supplies of peat, which is the basic fuel employed in rural districts. In fact the use of peat is relatively greater in Ireland than in any other country. The Government has made every effort to stimulate the recovery of peat in order to give employment in districts where there are no other industrial undertakings and at the same time provide a much needed increase in the nation's fuel supply. As a result, the normal cut of 3,000,000 tons in 1938 has steadily increased to 5,750,000 tons.

Hand-won peat is undoubtedly the most suitable type for use in the districts where it is cut, but its bulk and low calorific value prevented it from competing with coal in industry or for domestic use in urban areas. Approximately 3,000,000 tons of coal were imported annually into Eire from the United Kingdom to supply the railways, factories, and household requirements and for use in the production of gas and electricity.

Thus, when wartime conditions brought about a progressive decrease in coal imports, with a consequent shortage of gas and electricity, which coincided with a scarcity of petrol and paraffin oil, a tremendous impetus was given the efforts already being made to produce alternative types of peat fuel.

#### NATURE AND QUALITIES OF TURF

Peat, or turf, as it is called in Ireland, consists of decayed vegetable matter, usually grasses, mosses, rushes, etc., consolidated by its own pressure. Its production depends almost entirely on climatic conditions, and in Ireland the bogs are still forming at the rate of about half a foot each century. Peat bogs cover nearly one-third of the area of Eire and vary from dangerous swamps to firm surfaces that will carry a horse and cart. The depth of a bog may be a few feet, as on the mountain slopes (particularly in the West), or twenty-five to thirty feet, as in parts of the Midlands. The density varies between very wide limits, with the heavier and blacker turf generally underlying the lighter brown product.

Peat is a splendid domestic fuel, having about half the calorific value of the same weight of coal, and, with requisite furnace modifications, it has been successfully used in industry as well. It has the advantage of low ash content and a high percentage of volatiles and does not clinker. It also causes much less pollution of the atmosphere, and city medical authorities have stated that the decline in the death-rate from respiratory diseases may be partly due to its increased use as fuel.

Up to about a hundred years ago peat comprised approximately 90 per cent of Eire's fuel supply, the remainder being wood and small outcroppings of brown coal in County Leitrim and County Tipperary. Until the last two decades the use of peat as a favoured type of fuel had been steadily declining except in areas where the bogs were close to the consumer. In the cities and large towns it had been almost completely replaced by imported coal for both industrial and domestic use. A strenuous effort has recently been made to revive turf-cutting, and large-scale road and drainage schemes have been carried out to make the bog areas more accessible and the peat banks free from water-logging. Special transport rates and facilities have been arranged, and markets have been opened up in those towns and villages that are within reach of sources of supply.

Since 1940 practically no fuel except turf has been available in this country for domestic consumption. To facilitate distribution, road, river, canal, and rail transport were employed, so that no district suffered any shortage. Last winter over 250,000 tons went from the bog areas to Dublin, which had previously relied on coal for 99 per cent of its fuel supply.

#### DIFFERENT TYPES OF PEAT FUEL

There are three main methods of producing fuel from the bogs: (1) by the age-old process of cutting it out sod by sod with a spade-like implement called a slane and relying on the wind and sun to dry it as it lies spread out on the ground; (2) by dredging the turf mechanically off the bog and, after maceration, spreading it out to dry as before; (3) by scraping the turf mechanically off the bog and, after a short drying period in the open, compressing it by a rather complicated process into briquettes.



The resultant fuels produced by these methods vary widely. By method No. 3 an absolutely uniform fuel is produced that is of known calorific value and moisture content, clean to handle, but costly and also vulnerable to wet weather, so that it must be stored under shelter. Method No. 2 produces a fuel of average calorific value equal to that of briquettes but not so uniform. By method No. 1 a fuel is produced that is very dependent on weather conditions for its drying—far more so than machine-cut peat—but first-class hand-won peat can compete calorifically with the average machine-produced variety and can stand up to wet weather once it is dry. Taken all round, however, its chief disadvantage as compared with the other two products is its lack of uniformity. It may vary from 20 to 40 per cent in moisture content, with an equally dry-looking exterior, and at 25 per cent moisture, the normal standard for calculations, it may range from eighty to a hundred and sixty cubic feet per ton. The production of fuel from the bogs is usually confined to the period March to August for both hand-won and machine-dredged peat, but with a suitable stock pile (gathered within these limits), the briquetting process may be continuous throughout the year.

### HAND-WON TURF

The cutting and saving of slane peat, an industry that dates far back historically, has developed in each small district and bog with its own traditions and methods. There are a score of small differences between the implements and systems used, nearly all of which have a significance based on the type of bog, its location, and the climatic peculiarities of the locality.

### METHODS OF CUTTING

Broadly speaking, the methods used may be divided into two main groups: breast-slane cutting and wing-slane cutting. There are two types of breast slane. The ordinary breast slane is a short-handled flat spade about five inches wide and twelve inches long. It is worked horizontally into the face of the peat bank, necessitating two cutting strokes, one for the side and one for the bottom of each sod. The rear end has to be marked off and cut with a hay knife beforehand. This is a rather slow method, but there is no waste by breakage, and the resulting sods have the regularity and finish of bricks. It is used chiefly in the East Midlands, where the grain of the peat is unsuitable for wing-slane cutting. Before the outbreak of war it was almost the only type of peat sold in the city of Dublin, where the demand was for a uniform sod.

In a few districts outside the East Midlands, where also the grain of the sod runs horizontally, a slightly different implement is used for the same type of cutting. This is called the wing breast slane, and it differs only from the breast slane in that there is a second blade or wing, fixed at right angles to the first blade. This enables the side and bottom of the sod to be cut with one stroke instead of two, but for this reason it can be used only where the bog is "cheesy" and easy to cut.

The wing slane is the most common and is used for about 80 per cent of the total peat cutting. It has the same two blades as the wing breast slane, but the handle is much longer and the slane is used vertically like a spade. It cuts the two sides of the sod downwards, and the end is then given a slight jerk which breaks off the bottom. This procedure is rapid, and an average slanesman can cut upwards of three tons of finished product in a normal working day.

### DRYING THE PEAT

In either method of cutting, each slanesman works with a team consisting of two or three other men, women, or boys, whose job is to take the peat from him and spread it out to dry. As with the cutting, there are numerous differ-



ences in the systems used for this operation. The sods may be pitched from man to man with forks, or wheeled on hand barrows, or piled on to a low-wheeled bogey and drawn away by a pony to be spread on a suitable drying ground. The cut sods, which are of a consistency akin to that of butter and average five inches square by eleven inches long, are spread closely in the sun and left to weather. This operation and most of the subsequent ones are usually carried out by women and boys, while the men carry on with the cutting or attend to farm work.

At the end of two or three weeks the sods are dry enough to handle without danger of breakage. They are then either turned over to expose the underside to the sun and wind or built directly into footings. Footings are small heaps of peat of about ten sods stood on end and built up two or three stories high to expose as much of the surface to the wind and air as possible. After a further period of two or three weeks, the peat, which is now dried down from its original 90 per cent water content to about 40 per cent, is thrown loosely into stacks or clamps, the outside edges of which are carefully built to withstand the weather and which taper to a peak that throws off the rain like a slated roof. The peat can now remain secure until it is wanted for burning at home or until transport is available to remove it to the local markets or railheads. It will then have been seasoned down to the normal content of about 25 or 30 per cent moisture of average dry turf.

#### MARKETING

Methods of selling the peat differ almost as much as the ways and means of collecting it. Only in the cities or to a few isolated factories in the country districts is it sold by weight, as weighing facilities are seldom available. County Council purchases are usually by cubic measure, called a box, which varies from a half to one and a half cubic yards according to the traditional practice of each particular county. The usual market town system is to buy the whole cartload, which may be a small ass-cart filled level or a large horse-cart with a creel piled high. On the roads beside the bogs, where a considerable quantity of the peat is clamped or ricked ready for transport, a customer might buy a whole clamp or series of clamps. Sometimes it is sold by the slane, the amount cut by one slanesman in a day.

The only operation connected with the peat business with respect to which there is unanimous agreement is the method of burning it. Domestically it ought never to be used anywhere but on the hearth—a flat brick or concrete surface without bars or draught devices of any sort. This is the method adopted in thousands of cottages throughout the country for generations and in many of them the fire has not been out within living memory.

#### MACHINE-WON PEAT

A scheme for the production of machine-won peat was started at Turraun about twenty years ago by private enterprise, but it was not found to be an economic proposition until taken over by the Turf Development Board in 1936. This body had been set up by the Government to organize the peat fuel resources of the country. Machine-won peat is cut by machine, but has to be handled in the usual way and dried out of doors. It is now being produced on three different bogs in Ireland. When of good quality, it almost competes with coal and has been found eminently suitable for many industrial purposes.

#### SURVEY

The first step in the machine-winning of peat is the survey of the bog to determine the quantity, in area and depth, available for development; its quality; at what level, timber, if any, may be encountered and its type. Also

to be taken into account is the nature and configuration of the floor, the topography of the surface, the depth of white peat, the drainage requirements, and the outfall condition, i.e. the fall in the land which will carry the main drain. Samples of the peat are taken at two-foot intervals of depth and at frequent intervals of space. From an examination of these samples, which are obtained with a special tool and are about six inches long by half an inch in diameter, the quality of the peat and the depth of the white variety may be determined. White peat is fibrous and of poor quality and is usually found on the surface of a bog.

### DRAINING

Normally drains are dug before peat-cutting begins to afford: (a) sufficient firmness of the bog to support the heavy machines; (b) a reduction in the quantity of peat to be excavated as drainage progresses; (c) relief to main drain walls from back pressure; (d) a consistency of peat which can be readily worked and moulded; (e) a less saturated drying ground and less humidity in the overlying atmosphere; (f) a reduction in the quantity of peat which must be worked for a given output of the air-dried product.

Main drains are usually 200 to 250 yards apart. Lateral or cross channels feed into them at right angles and are generally about 90 yards long. They may be from 30 to 100 yards apart according to the wetness of the bog. At the ends of these are subsidiary longitudinal drains parallel to the main arteries. This layout usually affords efficient drainage and ensures that the average bearing pressure of about two hundredweights per square foot from the machine is carried with safety over the greater part of the surface.

Drainage, to be economic, must not be hurried. Drains must be cut in stages, with adequate intervals to permit of seepage and drying.

### STRIPPING AND LEVELLING

The stripping machine, by means of a chain of knives of special design, removes (if necessary, in two stages) a strip 4 metres wide and 0.4 metre deep from the shoulder of the drain and piles the spoil on the offside of the machine. The overburden of light peat to the width of the bucket cut—2 to 2.5 metres—is thus removed from the shoulder of the drain along which the machine will cut. The levelling machine, with a chain of somewhat similar knives 8 metres wide, spreads this spoil across the bog, and in so doing it also tops off any protruding hummocks. In this way depressions are filled in and unevenness is removed.

### CUTTING: THE BAGGER METHOD

The bog is now ready for the actual cutting operation. The two cutting machines in use in this country are the Hesepe and the Velen which are developments of the Wielandt and the Strengé types respectively. The Hesepe machine cuts a width of 2 metres to a depth of 4 metres and leaves a sloping face, about 60 degrees to the horizontal, on the trench. It weighs about 40 tons, spreads a maximum width of 54 metres, and travels with a speed of 16 to 26 metres per hour. The Velen machine cuts a width of 2.5 metres to a depth of 2 metres and leaves a vertical face on the trench. It weighs about 30 tons, spreads a maximum width of 48 metres, and travels with a speed of 12 to 26 metres per hour. The former machine is suitable for deep bogs such as are found in the Midlands and the latter for the shallow bogs that occur in the Uplands.

These machines are extremely complicated, and constant vigilance is required to keep them in running order. One of the greatest dangers is concealed timber, which may often do considerable damage. Electric motors have been found preferable to compression ignition engines as motive units. The fibrous type of peat which is discarded as unsuitable is used in the production of the electric power.



In cutting, provision has to be made for spreading on the cutaway bog during later years and for reclamation of the bog at the end of fuel production. For this reason the light peat stripped annually from the trench shoulder must be deposited uniformly on the cutaway, and a stripping machine of a different design from the one referred to above is therefore used. This machine cuts the shoulder to a width of 2 metres and a depth of 0·7 metre by means of a "Fraser", or screw cutter, which cuts into the light peat and throws it by screw on to the cutaway. It travels at a speed of about 60 metres per hour, so that on a big bog one of these machines is needed for every three baggers; the power is electric (25 kw.).

#### FOOTING, DRYING, STACKING, ETC.

The remaining processes differ little from those employed in the saving of hand-won turf. As soon as the sods spread by the bagger are sufficiently dry, they are footed by hand and after another drying period, they are gathered by a sod-collecting machine. This is a chain-plate conveyer that extends the full width of the spread and, as it travels forward, the turf is thrown on to the conveyer, which carries it to one side of the spreading ground and there deposits it in a heap, ready to be built into a clamp. The clamps, or ricks, are subsequently removed in wagons that run along the temporary rail track laid for the purpose. The loading machine is the standard one used on German and on some Russian bogs. It has a 25 kw. motor and eats into the rick with a three-metre-wide scraper-type elevator, which feeds a six-metre belt conveyer mounted on the top of the machine at right angles to the direction of forward movement. The peat sods fall from this conveyer into the wagons alongside, and a capstan on the machine enables the wagons to be manoeuvred during loading.

### INDUSTRIAL CONDITIONS IN SCOTLAND

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Glasgow, July 14, 1943.—All reports indicate that the production in shipbuilding, engineering and other heavy industries engaged in war production is on a scale and at a pace, with few exceptions, never before reached. As an example, it was officially stated a few months ago that the output per man-hour in the shipbuilding yards on the Clyde was roughly double that in any other country among the United Nations. Figures of output of ships are not, of course, published in wartime, but the tributes paid to Clydeside workers by Admiralty officials and others for their output during the first half of this year indicate the satisfaction of the higher authorities of the efficiency and production of the heavy industries.

No further increase in output, however, can be hoped for till the holiday period is past. The shutting down of factories in the Clyde Valley during the last week or two in July (the Glasgow "Fair" holidays) is in peacetime a custom which has been in force for generations. It enables machinery to be repaired and replaced and gives the workers a much-needed rest. In wartime the same need arises, but the period is extended over five or six weeks by the system of "stagging", the holidays for individuals being fewer and there being less loss of production.

It may be interesting to show by an example the need for rest for workers in war industries. A factory in this area employing more than 20,000 people in work of vital importance is closing down for ten days. A force of skilled labour will be on the job, however, to repair and tune up machinery in readiness for another year of almost continuous day and night shifts. Normal work starts at 7.30 a.m. for the day shift and finishes at 7.10 p.m., Sundays included. It is not difficult to imagine that a man working nearly twelve hours a day, perhaps travelling a long way to and from work in overcrowded buses, trams



or underground, and part of the year in the "black-out", needs a complete rest once a year. It is true that at this particular establishment, he does not work on Saturday afternoons, and one Sunday in the month is free, but even so the strain is great. The people of the Clyde area, like the rest of their countrymen, are playing a mighty part in the war effort. That will be fully realized only when the seal of secrecy is removed.

## EIGHTH CENSUS OF JAMAICA

F. L. CASSERLY, OFFICE OF THE CANADIAN TRADE COMMISSIONER

Kingston, Jamaica, June 29, 1943.—The first census of Jamaica and its dependencies taken in accordance with modern practice was begun on January 4, 1943, and recently released preliminary reports contain much information which is especially interesting and valuable in view of the fact that since the last census was taken in 1921 considerable social, economic and political changes have occurred in the colony, and further changes are now taking place under the impact of wartime conditions.

The total population of Jamaica according to the preliminary count is 1,237,391; that of the Cayman Islands, a political dependency, is 6,679, and of the Turks and Caicos Islands, the other political dependency, is 6,148. Jamaica's population in 1921 was 858,118. Of the 1943 total, 599,793 were males and 637,598 females; 641,988 were in the age-group of 21 years and over, and 595,403 in the younger age-group. The Island's present average of population per square mile of total area is about 295.

Among outstanding and significant results, so far, are those in respect of urban, suburban and rural population. For elected representation in the Legislative Council and for local administration, Jamaica is divided into fifteen parishes. That of Kingston consists of the city business area and several residential districts. Adjacent to and united with it for municipal purposes is the parish of St. Andrew, comprising extensive residential suburbs and a larger rural, mountainous region in which coffee, fruit and vegetables are grown. These suburbs have expanded and developed considerably during the past twenty years. Many large estates have been subdivided into building lots; hundreds of new dwellings have been put up, mainly for occupancy by the middle and upper classes; roads, water supplies, shops, places of amusement, public transport, schools, churches and other facilities have been provided.

### CENSUS FIGURES FOR KINGSTON

The 1943 census gives the population of the parish of Kingston as 108,973, of suburban St. Andrew as 93,235, and of rural St. Andrew as 34,791, or a total for the city and suburbs, which are a natural municipal unit, of 202,208. This figure is higher than that for any other city in the West Indies except Havana.

The 1921 census did not distinguish between suburban and rural St. Andrew. For this parish it showed a total population of 54,598, and for Kingston, 62,707. The sum of these, 117,305, is 84,903 less than the present figure for Kingston and its suburbs alone.

Although noteworthy, this growth of population in Jamaica's capital and environs is viewed with some misgiving because it discloses a migration from country to city that is considered undesirable in a predominantly agrarian state such as Jamaica is, and for the further reason that the city and suburbs have no appreciable manufacturing industries or other productive agencies from which an expanding population can be supported, even at a minimum average standard of well-being. The city's main economic function is to provide an entrepot for the Colony's import and export trade, as it is well situated to do. It is also the seat of Government and the country's financial and business centre. The parish of Kingston has an area of 7.75 square miles, the average number of persons per square mile being about 14,000.

The census returns disclose a heavy preponderance of females over males in both Kingston and its suburbs—61,427 to 47,546 in the former and 52,520 to 40,715 in the latter. This condition is more marked in the case of persons 21 years old and over than in those below this age. In the former group Kingston has 39,101 females and 29,803 males; suburban St. Andrew 33,225 and 24,289 respectively. In the latter group the figures for Kingston are 22,326 females and 17,743 males, and for suburban St. Andrew 19,295 and 16,426 respectively. For the whole Island the excess of females over males is 37,805; in Kingston and the suburbs it is 25,686.

The situation indicated by these figures is believed to bear importantly upon health, education, morality, crime, overcrowding, poverty and, generally, upon Jamaica's socio-economic condition and prospects. With respect to overcrowding, for some time past the local Government has been implementing a program of housing improvement and, in his preliminary report, Sir Frank Stockdale, Comptroller of the West Indian Department of Development and Welfare, suggested that annual grants of £100,000 for five years should be provided from the British exchequer for this purpose. Considering that government expenditure alone would be inadequate to meet Jamaica's present housing needs, he further recommended that this £500,000 should become the nucleus of a Housing Trust, and that investments of private capital should be attracted by issue of interest-bearing debentures. Of the £500,000 grant—of which the first annual instalment has been approved—he apportioned £250,000 for houses in the new land settlements in the country, £125,000 for other rural housing schemes, and £125,000 for slum clearance and housing improvement in urban areas.

Spanish Town, Jamaica's old capital (called St. Jago de la Vega under the Spanish regime, 1494-1655, and seat of the Jamaica Government until 1870) ranks next to Kingston in respect of population (12,028); third is Montego Bay (11,500), before the war a thriving tourist resort with attractive sea-bathing and other facilities, its own Chamber of Commerce, electric lighting and power systems and ice factory.

Listed are eighteen other and smaller towns in Jamaica. The aggregate of their populations, together with those of Spanish Town and Montego Bay, is 76,050, which, added to the figure for Kingston and suburban St. Andrew, gives a grand total of 278,258 for city and town dwellers, or 22·5 per cent of Jamaica's total population. Of this percentage, that represented by Kingston and its suburbs is 16·35. The preliminary census bulletins contain no particulars of corresponding percentages in 1921 except in respect of Kingston, which then accounted for 7·31 per cent of the Island's total population as compared with 8·81 per cent in 1943. The combined percentage for Kingston, suburban St. Andrew and rural St. Andrew was 13·67 in 1921 and 19·16 in 1943. In the latter year, as stated above, Kingston and suburban St. Andrew together accounted for 16·35 per cent.

In view of the considerable economic, sociological and political changes now taking place in Jamaica, this information, as disclosed by the census bulletins that have been issued to date, is considered of much interest and value.

#### BREAKING NEW GROUND

The first census of Jamaica, taken in 1844, and the six succeeding ones were simple and sketchy as compared with the latest, which follows present practice in Britain, Canada, the United States and other large countries and is being taken on behalf and at the expense of the British Government, as recommended by the West India Royal Commission. The total cost is estimated at £63,281 as compared with £12,068 for that of 1921, and the particular objects are: (1) the enumeration and description of every man, woman and child in Jamaica (residence, age, education, religion, employment, etc.); (2) the redistribution of



electoral districts for the purposes of Jamaica's new political condition; (3) the compilation of detailed statistics of farming and pastoral land and products, domestic animals, etc.; (4) the establishment of a body of basic statistics as a guide to government policy, especially its social and economic aspects.

The work is being done under the direction of Mr. A. J. Pelletier F.S.S., Chief of the Census Branch, Dominion Bureau of Statistics, who was seconded to Jamaica for the purpose by arrangement between the British and Canadian Governments and who arrived in the Colony in May, 1942.

Nothing of this kind yet having been attempted in Jamaica, it was necessary to inform the people as to modern methods of census-taking and specifically as to what would be required of them and why, in order to secure their interest and co-operation. This Mr. Pelletier did by means of a well conducted publicity campaign that was worked out through the clergy; teachers; municipal bodies and their officers; agricultural, political and social organizations; the press; the radio; public lectures; distribution of posters; and, generally, in every way in which the people could be reached. Mr. Pelletier himself toured the Island not only to gain first-hand knowledge of the field but also in furtherance of this publicity effort. He likewise prepared for the purposes of the census an exhaustive classified list of the people's many thousand occupations.

The results have been satisfactory and gratifying. Intelligent interest in the census was quickly developed, together with correct understanding of its purpose and readiness to co-operate with officials. Concurrently a Census Department was set up and organized, the needed machinery and supplies were obtained, mostly from Canada but some items from the United States, and a large field staff, largely comprising teachers, was carefully trained. The Assistant Census Officer and the heads of the department's several branches are members of the Jamaica Civil Service, and with one or two exceptions the remainder of the staff is composed of Jamaicans. Enumeration began on January 4 last and continued for two weeks. The reopening of the government elementary schools was accordingly postponed.

The importance and magnitude of the task of census-taking and of the thoroughness of its execution is indicated by the fact that the Island, 4,404 square miles in total area, was divided into 258 census districts and 4,831 sub-districts and that a map was prepared for each; that the enumerators (one usually for each sub-district) had to be instructed in detail; that the census office sent out, in round figures, 27,000 letters and circulars and received and despatched 1,400 telegrams, distributed 1,500 stencilled and 85,000 cyclostyled sheets, and over 5,000 drafts for payments to enumerators and supervisors, and prepared 6,000 sheets for the first count of population. There were hundreds of interviews and many thousand telephone calls. Head Office personnel numbers more than 130. Every enumerator was supplied with a book of detailed instructions and was required to pass a written examination in his or her duties before counting began.

As in Canada, the work of recording and classifying the information obtained from the count is done by means of special census machines, of which one is a compressed air tabulator invented and built in the Census Branch of the Dominion Bureau of Statistics at Ottawa. This machine, forty-five pantograph punching machines, and one rectograph machine were supplied on loan by the Dominion Statistician with the permission of the Minister of Trade and Commerce. Six duplex adding machines have also been procured on loan from the same source. To supervise the installation of the census machinery and train local operators, two technicians were brought to Jamaica who were, respectively, officials of the Dominion Bureau of Statistics at Ottawa and of the International Business Machines Corporation of the United States.



## PRICE CONTROL IN NEWFOUNDLAND

R. P. BOWER, ACTING TRADE COMMISSIONER

St. John's, July 21, 1943.—Previous reports in the *Commercial Intelligence Journal* have described the price control measures adopted in this country. Under the Emergency Powers (Defence) Act, 1940, current Price Orders are issued from time to time regulating levels at which certain commodities can be sold, both retail and wholesale in all parts of the country.

The Deputy Food Controller, in a radio broadcast on July 17, 1943, expressed some concern over the tendency of prices to rise in Newfoundland, solely because of shortages of supply, and suggested that action would be taken to fix maximum prices in respect of any commodity where this trend was apparent. Subsequently new price ceilings were established under the Emergency Powers (Defence) Act, 1940, on the following products:—

### SUGAR

The current price for sugar has been set at \$10.25 per sack at the port of importation, a reduction of 50 cents per sack over the price established by a preceding Order. Where sugar is sold by the sack at places other than the port of importation, the cost shall not exceed \$10.25 plus the actual cost of transportation from the port of importation to the place of sale. The maximum price of sugar when sold in quantities less than one sack at the port of importation is 11½ cents per pound and not more than 12 cents per pound at any place in any other part of Newfoundland.

### POTATOES

A shortage in the supplies of potatoes has recently led to a sharp increase in prices of locally grown and imported varieties and, in an effort to establish a reasonable price level, the current price order, now issued, establishes a maximum retail price on potatoes when sold by the pound or by the gallon. When sold by the reputed gallon of six pounds avoirdupois, the price shall not exceed 32 cents. When sold otherwise than by the reputed gallon, the price shall not exceed 5½ cents per pound. Purchasers may elect to purchase potatoes either by the gallon or by the pound.

### SALT BEEF

The maximum retail price of salt beef whether sold for cash or on credit in quantities of less than one barrel shall not exceed 35 cents per pound. This Order applies to beef salted in barrels imported into Newfoundland under the provisions of item No. 38 Schedule "A" to the Revenue Act, 1939, as amended by the Revenue (Amendment) Act, No. 17, 1939. In announcing the new regulations over the radio on July 17, the Deputy Food Controller pointed out that there had been a slight improvement in the supply position of salt beef as a result of which it was no longer considered necessary to restrict its sale to places off the railway line and outside the main centres of population. The Deputy Food Controller indicated that it might be possible to make a more general distribution of salt beef in the very near future. The Controller has considered it desirable, however, to fix a maximum retail price beyond which salt beef may not be sold in this country. The 35 cents established is the maximum retail price irrespective of the locality in which it is being retailed.

### CORNEB BEEF

The maximum retail price of corned beef, whether sold for cash or credit, shall not exceed 40 cents per pound of approximately 15 ozs. gross. This Order applies to cooked corned beef, hermetically sealed and otherwise known as C.C. beef or corned beef, imported into Newfoundland under provisions of item

No. 44 Schedule "A" to the Revenue Act, 1939, as amended by the Revenue (Amendment) Act No. 17, 1939. The maximum price which may be charged by the importer for salt beef is fixed by the Deputy Food Controller in respect of each importation to take care of the varying costs with each transaction.

## UNITED STATES LUMBER SITUATION

W. D. WALLACE, OFFICE OF THE CANADIAN TRADE COMMISSIONER

New York, July 21, 1943.—According to a recent release by the *New York Journal of Commerce*, the United States lumber production for 1943 is moving at a rate sufficient to meet the war and essential civilian requirements of about 31,868,000,000 board feet, but the margin between production and consumption is very narrow, and whether or not the 1943 goal will be attained depends upon an unchanged manpower condition in the industry. The above estimated requirement figure is larger than earlier estimates and is due primarily to the increased demand for boxing and crating woods required for shipping war materials. The demand for these materials is placed at 10,968,000,000 board feet as compared with the 1940 consumption of this type of wood of only 4,333,333,000 board feet.

The demand for wood has been so great that there has been no opportunity to build up stocks, and it is doubtful if this situation will change during the remainder of the year.

The manpower problem in the industry has been critical, and it is estimated that there is a shortage of 50,000 workers in the logging industry. In addition, there is a shortage of workers in the yarding and milling end of the industry, although some women have been found capable of performing the required work. The southern lumber industry suffered severely, due to the discrepancy between wages paid in this industry and in the shipyards. Consequently labour left the logging camps to seek higher wages and were replaced largely by unskilled labour.

### CIVILIAN REQUIREMENTS

Industrial wood uses by the furniture, casket and motor vehicle industries now engaged in the manufacture of war and essential civilian requirements are estimated at 4,227,000,000 board feet, or slightly above the peacetime figure.

It is estimated that lumber for civilian construction will be around 10,000,000,000 board feet, or more than 50 per cent less than the 1940 rate of consumption of approximately 22,000,000,000 board feet. This decline is accounted for by the fact that war housing, defence plant, and farm and public works construction has been cut sharply.

### MILITARY REQUIREMENTS

Military requirements, including those of the Army, Navy, Maritime Commission, and lend-lease have been placed at 6,663,000,000 board feet. This estimate is expected to cover all needs for troop housing both in the United States and abroad, dock construction, and lend-lease building of structures for bombed-out civilians.

### INVENTORY

The main concern of government and industry officials is the low inventory in both logs and lumber, which has become critical. This is attributed to the fact that 1942 lumber consumption totalled 42,000,000,000 board feet and production amounted to only 35,000,000,000 board feet. Consequently the difference, 7,000,000,000 board feet, had to be made up from stocks on hand and imports. Imports amounted to only 1,500,000,000 feet, and producers had to take 5,500,000,000 board feet of lumber out of their built up backlog.



### LUMBER PRICES

Lumber prices have created a problem for the industry. In April, 1942, the Office of Price Administration set ceilings on most species of lumber at prices prevailing in September, 1941, and, as a result, many operators were caught in a "squeeze" between increased production costs of 1942 and the low 1941 ceiling prices. The Log and Lumber Policy Committee recently appointed by Donald M. Nelson, of the War Production Board, is expected to recommend necessary adjustment. Its main objective will be to deal with problems involving price and production and to correct conditions wherein the price of lumber is affecting its production.

### UNITED STATES RETAIL CEILING PRICES ON FRESH FISH

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

New York, July 22, 1943.—The Office of Price Administration has announced that effective July 22 under Maximum Price Regulation 437, retail price ceilings are to be applied to nearly fifty species of fresh salt-water fish and other seafood produced on the Atlantic and Pacific coasts. These fish include codfish, yellowtail, haddock, hake, herring, rosefish, sole, whiting, wolffish, scallops, swordfish, flounder, halibut, salmon, smelt, tuna, bonita, alewives, cusk, black back, dab, pollock and sablefish.

For the present the Office of Price Administration is setting the retail ceilings on a cents-per-pound or percentage mark-up basis over the net delivered costs for the same form and style of each kind of fish from July 5 to 10, 1943, inclusive. Prices must be established on Thursday of each week. Flat cents-per-pound ceilings such as are in effect at producer and wholesale distributor levels will be established as soon as possible. Meanwhile, the mark-up method has been chosen to ensure that the reductions made at the other levels are passed on to consumers. Many of the prices will represent roll-backs ranging from 10 to 20 per cent.

The Office of Price Administration states that while reducing prices, which, in the absence of price control, have become inflated to such an extent that prices of some varieties of fresh fish were higher than those of meat, the new ceilings for the fresh fish and seafood industry are no lower in general than ceiling prices in 1942.

The new regulation anticipates further action both with regard to salt-water and fresh-water fish when sold fresh inasmuch as the Office of Price Administration intends later to establish flat dollar and cents retail ceiling prices for both kinds of fresh fish.

### BRAZIL AND THE WAR

From the *British Export Gazette*

As in most belligerent countries, the publication, month by month, of foreign trade statistics has been suspended in Brazil since early in 1942, but there are definite indications that the trade balance last year was again heavily favourable. The Bank of Brazil, in its 1942 report, states that Brazil's exports in 1942 reached 7,495 million cruzeiros in value, against 6,725 millions in 1941, and with imports somewhat lower at 4,644 million cruzeiros against 5,514 millions, the favourable trade balance for 1942 was substantially larger at 2,851 million cruzeiros (equivalent to approximately £35,500,000 sterling) against 1,211 million cruzeiros (£15,000,000). This position is confirmed by official Washington figures, which show that Brazil's balance against the U.S.A. alone in 1942 was favourable to the extent of 76,247,000 dollars compared with 35,744,000 dollars in 1941. Although the actual volume of Brazil's imports and exports was lower



than in 1941, this was compensated by higher prices. For instance, coffee exports in 1942 fell to 7¼ million bags from 11 million bags in 1941, but the total value was more or less the same at around £25,000,000 sterling.

The United States policy of supporting Latin-American economy under the stress of wartime conditions was further exemplified during 1942 by the conclusion of a number of agreements with Brazil covering the supply of defence material, new construction to develop the Itabira iron mines, the development of Amazon rubber production, the increased production of foodstuffs in the North and Northeastern States, and the purchase of large quantities of Brazilian coffee, cocoa, nuts, rubber, castorseed, vegetable oils, cotton linters, silk thread, hessians, ipecacuanha, etc. In addition, the United States Government extended for a further five years the facilities enabling Brazil to purchase gold for exchange stabilization purposes, raised the total amount to 100,000,000 dollars from 60,000,000 dollars, and sent experts to Brazil to study ways of increasing that country's output of key products needed for the war effort, as well as of adapting local industries for the use of Brazilian raw materials and fuels, and producing certain goods formerly obtained from the U.S.A.

Including arrangements already made and those shortly to be negotiated, it is estimated that total purchases from Brazil by the U.S.A. under various commodity agreements will amount to 9,000 million cruzeiros (equivalent to approximately £112,500,000 sterling). But this would be regarding United States economic co-operation in the narrowest sense of the word for, in addition to the financial aid rendered, must be considered the stabilizing effect on Brazilian commodity markets exerted by the U.S.A. buying at a time when Brazil found herself cut off from other important markets overseas, as well as the quickening of Brazilian agricultural, mineral and industrial development by the investment of United States capital. Moreover, the U.S.A. afforded Brazil last year special consideration as regards supplies of essential imports.

The last figures available concerning Brazil's trade with Great Britain were those covering the period January-April, 1942. These showed a balance in Brazil's favour amounting to 260 million cruzeiros (about £3,500,000) against 64 million cruzeiros (£800,000) for the same period of 1941. The further curtailment of British exports to Brazil during the succeeding months, coupled with the fact that some quite considerable quantities of Brazilian meat, cotton and minerals were shipped to Great Britain during the year, makes it practically certain that this favourable balance must have increased substantially by the end of 1942.

Important contracts for the sale to Great Britain of Brazilian corned beef were concluded in January and June, 1942, and it is expected that Britain's total purchases of this product in 1942 will have exceeded in value £8,000,000, compared with £3,000,000 for 1941. The increased amount of refrigerated space available for meat exports to Great Britain, coupled with the temporary interruption of supplies from Australia and New Zealand, led to an expansion also in shipments of Brazilian frozen and chilled meat to Great Britain. In June, 1942, Great Britain ceded gratuitously to Brazil the Itabira mines which were owned by British interests, and entered into an agreement with Brazil to take annually 750,000 tons of iron ore from the mines for a period of three years, paying a price more than double that obtained by Brazilian iron ore exporters in 1939. This important step was the subject of much favourable comment locally. Special features of Brazil's export trade with Great Britain last year consisted of several shipments of rice and sugar.

The continuous contraction in British exports to Brazil since the war started makes rather depressing reading, and was the subject of a memorandum sent in January, 1942, by the British Chambers of Commerce in Rio de Janeiro and Sao Paulo to the Export Council, in which attention was called to the difficulties and delays experienced by shippers in obtaining export licences and in shipping goods which do not come under lease-lend arrangements. In reply to this

memorandum the Board of Trade enunciated the principles on which British export policy is based under the conditions peculiar to this war. Briefly put, the explanation was that the amount of goods available for export was very small and likely to diminish, because the greatest part of the material brought to Great Britain went to uses connected with the war effort and with keeping the population in health, so that the manufacture of goods not connected with the war effort was likely to cease. Special help, it was said, would be given in the export of spare parts for British-made machines or plant, and for goods in urgent need which the U.S.A. could not supply. In this connection it is interesting to recall that in June a question was raised in the House of Commons regarding the export of tools to South America, in reply to which the Board of Trade stated that exports of shovels, hoes and other agricultural implements and mining tools were subject to lease-lend arrangements. It was further stated that, under lease-lend, Great Britain had virtually desisted from her iron and steel trade with South America in favour of the U.S.A.

Attention has been drawn in previous articles to the enormous expansion of national industries in Brazil, particularly those which employ domestic raw materials, accelerated by curtailment of imports of consumer goods. Although some industries which are dependent upon imported raw materials are suffering a contraction in output (among these being the building industry and certain chemical industries), this is counteracted by an expansion in other industries already established and by the inauguration of new industries, whose production will only begin to show in the near future. Among the most important of these are new woodpulp, paper, cement, glass, producer-gas apparatus factories, and silk spinning mills, whilst important projects initiated during 1942 included the formation of the large iron mining concern to take over the Itabira properties, and a large concern to exploit the rubber industry in the Amazon valley and to manufacture rubber goods. Following the recent visit of the President of the Export-Import Bank of Washington to the new National Steel plant which is being set up at Volta Redonda, in the State of Rio de Janeiro, it was announced that a new agreement had been concluded on 18th March, 1943, between the U.S.A. and Brazilian Governments whereby the sum advanced by the Export-Import Bank to finance construction and equipment of the plant is increased by U.S.\$20,000,000 to U.S.\$45,000,000, and the term of repayment of the credit for U.S.\$14,000,000 opened by the Bank in favour of the Cia. Vale do Rio Dôce for developing the former Itabira iron mines is extended by five years to twenty-five years. According to an official spokesman, it is expected that production at the Volta Redonda steel plant will start within fifteen months, and that construction of the plant will be entirely finished by 1945. In addition, credits were opened in 1942 for the National Motor Factory and to enable a national chemical concern to purchase machinery to manufacture citric acid. A technical mission came from the United States to study the possibilities of expanding Brazil's industrial production, its object being presumably linked up with the projected transfer to Brazil of machinery belonging to United States industries producing consumer goods, whose activities have been paralysed by the war.

In the article entitled "New Industries in South America" in the May, 1943, issue of the *British Export Gazette* (See *Commercial Intelligence Journal*, No. 2060: July 24, 1943), the pros and cons were briefly discussed as to the effect of Brazil's factory output upon United Kingdom trade, the view being advanced that industrialization could only be fully attained by the relaxation of immigration laws in order to provide the necessary labour. To this it may be added that whilst there is little doubt that, by the end of the war, Brazil will be greatly self-sufficient in many articles which were formerly staple lines among Britain's diverse exports to that country, nevertheless, it must be remembered that Britain's technical capacity will ensure her for many years a prominent place in the exploitation of new inventions and the production of



new articles. The impetus given by the war to the great engineering and metal industries and to the adoption of economical methods of manufacture in other industries, should place Britain in a favourable position when the moment arrives for her to concentrate again on export markets.

## FINANCE OF FOREIGN TRADE: THE CLEARING UNION

*From the Times Trade and Engineering*

There were several points of interest in the House of Commons debate on May 12 on the British plan for an International Clearing Union, and reference may be made to one or two remarks by the Chancellor of the Exchequer. Among other things emphasis was laid on the fact that it was a British plan, derived from British experience of the banking system and of international trading and the clearing of international balances. The Government regards the problems of an international monetary mechanism, not as an end in itself, but as providing the means for the development of international trade. The American plan embraces similar objects.

There are three points to be aimed at: (1) the provision of a mechanism by which international balances, the sums of the debits and credits incurred by all traders in each country on account of international transactions, should be freely cleared; (2) to ensure that the exchanges which rate the terms by which clearances are effected should be reasonably stable, so that goods and services could be moved on the international market with the knowledge of the value they commanded; and (3) in order particularly to meet the difficulties in the early period, countries whose economy has been gravely dislocated or damaged by the war, should have some temporary international monetary facilities to enable them to start up international trade without undue delay.

So far as individual traders are concerned, they do not consciously come into touch with the Clearing Union at all. As in the past the trader would go to his own bank, and in the ordinary way it would obtain for him the necessary foreign exchange. In other words, the banks would attend to the financing of imports and exports as hitherto. Just how the banker achieves the desired end is, perhaps, not of great moment to the trader, so long as he gets the money for his shipments, but it may be of interest to explain some aspects of international banking, which bear an analogy to the British plan.

### AN ANALOGY

When an international bank opens up branches in a foreign country, certain funds are allocated to them from the parent institution. These form the nucleus for a branch's early operations. The branch bank, of course, will augment its working funds in various ways common to ordinary banking. Once the branch abroad has started, the parent institution in London or elsewhere opens accounts in its books to which are debited funds remitted to the branch and to which are credited funds received for its account. For instance, the head office may make remittances to the oversea branch for various purposes—payments to foreign residents, exchange collections, coupons, interest warrants, etc.—payable in the foreign centre. Such would be debited to the account. Then the home office might itself sell exchange or telegraphic transfers on the account in the foreign branch; these would form credits in the account. If the branch account shows a credit balance at any time, interest will be credited to it at an agreed rate; should the account be overdrawn, interest will be charged and debited to it. There is thus an ebb and flow into and out of the accounts from day to day. Should there be over a course of time a constant credit balance, means will be found to transfer the idle funds to other centres where they can be more usefully employed in the finance of trade. If, on the other hand, there is a constantly recurring debit balance, action will be taken to liquidate the overdraft.



## EBB AND FLOW

It will be realized that the items influencing the ebb and flow into the account will be those arising from the finance of foreign trade, imports and exports. Thus, there will be bills drawn on various firms in the foreign centre from London and elsewhere against shipments. When paid by the importers the proceeds will be remitted by the branch bank to London for payment to the shipper. On the other hand, there will be exports to be financed from the foreign centre to Great Britain, bills for collection, etc., all figuring in the account. Such accounts kept by individual international banks are in reality clearing accounts for the operations of individual traders, and they are emblematical of the British Government's international clearing union, with this difference—the banks deal with individual traders, the Government would deal with countries. The root idea, however, is the same, and there seems to be no valid reason why it should not function satisfactorily, given the co-operation of all concerned. Quite obviously, the economic condition of the world in general, and of Europe in particular, after the war will be such that the banks unaided would have difficulty in meeting the demands made upon them for finance, so, in effect, the Government proposes to step into the breach and do internationally what the banks are doing individually.

## IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to July 3, 1943.

	Unit	Total Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to July 3, 1943	
				Quantity	Per Cent
Whole milk. . . . .	Gal.	3,000,000	6½ to 3½c. per gal.	4,004	....
Cream. . . . .	Gal.	1,500,000	56½ to 28¼c. per gal.	465	....
Filleted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish. . . . .	Lb.	15,000,000	2½ to 1¾c. per lb.	7,275,017	48.5
Seed potatoes. . . . .	Bu.	1,500,000 beginning Sept. 15, 1942	75 to 37½c. per 100 lb.	1,095,293	73.0
White or Irish potatoes, other than seed potatoes. . . . .	Bu.	1,000,000 beginning Sept. 15, 1942	75 to 60c. per 100 lb. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30 Free	18,873	1.8
Red cedar shingles. . . . .	Sq.	2,506,072		778,743	31.0
Silver or black foxes, furs and articles: *Foxes valued under \$250 each and whole furs and skins. . . . .	No.	100,000 beginning Dec. 1, 1942	50 to 35% ad val.	45,658†	45.6
Tails. . . . .	Piece	5,000 beginning Dec. 1, 1942	50 to 35% ad val.	462	9.2

\* The duty on live foxes of 15 per cent ad valorem, the rate under the Tariff Act of 1930, is not affected by the Agreement.

† Imports from Canada of 45,658 foxes valued at under \$250 each and whole furs and skins is for the period beginning December 1, 1942, to April 30, 1943. For the period May 1 to November 30, 1943, the United States set the quota allotment at 33,229 for all countries, and for the period May 1 to July 3, 1943, imports totalled 19,856. However, there is no indication in the statement by Treasury Department as to what proportion of these imports were supplied by Canada.

## TARIFF CHANGES AND TRADE REGULATIONS

### United Kingdom - Chile

#### PROLONGATION OF COMMERCIAL MODUS VIVENDI

The British Board of Trade Journal of July 10, 1943, announces that the United Kingdom and Chilean Governments have agreed to extent to the commerce of the two countries respectively for a further period of twelve months from July 1, 1943, most-favoured-nation treatment as provided in the Anglo-Chilean Modus Vivendi of October 15, 1931. Exception is made in respect of the favoured treatment accorded to boundary States to facilitate frontier traffic as well as that resulting from a Customs union.

### Ireland

#### SUSPENSION OF IMPORT QUOTA RESTRICTIONS

Mr. George Shera, Office of the Canadian Trade Commissioner at Dublin, advises that by an Order of the Government of Eire dated June 22, 1943, the import quota restrictions on the following commodities, which were suspended until June 30, 1943, have been further suspended until June 30, 1944: laminated springs and component parts; marble chippings; certain brushes, brooms and mops; rubber-proofed clothing; cotton piece-goods; pneumatic tires; rubber boots and shoes; rubber and canvas heeled shoes; sparking plugs and component parts; silk or artificial silk hose (other than half-hose); woven tissues of wool or worsted; perambulators and chassis, bodies and body shells for perambulators; superphosphates, ground mineral phosphates and compound manures.

### Newfoundland

#### MAXIMUM PRICE OF EGGS

An Order of July 20, 1943, by the Commissioner for Public Health and Welfare in Newfoundland, declared that the maximum retail price of eggs in the shell, when produced in Newfoundland, should not exceed 95 cents per dozen. The Order does not include eggs to which the grade designation "national mark" has been applied. An Order of July 21 similarly fixed the maximum retail price of imported eggs in the shell (tariff item 70) at 85 cents per dozen. Import duty is 10 cents per dozen.

### United States

#### IMPORTATION OF PLANTS BY MAIL

The July 15 issue of weekly United States Treasury Decisions defines procedure governing importation of plants and plant products by mail (T.D. 50891). Entry into the United States of certain plants and plant products is prohibited or restricted under various orders, quarantines, and regulations promulgated by the Secretary of Agriculture under the Plant Quarantine Act of August 20, 1912, as amended. As an aid in enforcing relevant regulations, the Bureau of Entomology and Plant Quarantine, concurrently with the Postal and Customs Services, have made provision to ensure closer inspection of such importations. Mail packages from foreign countries containing plants or plant products are to be dispatched for submission, or actually submitted, to the plant quarantine inspector at the most accessible place. Inspectors are stationed

at about fifty post offices, including: Boston, Mass.; Detroit, Mich.; Portland, Ore.; St. Albans, Vt.; St. Paul, Minn.; Seattle, Wash. The plant quarantine inspector is to notify the addressee of the action taken and the reason therefor. Packages discovered at post offices where no customs officer is located are to be forwarded by the postmaster to the collector of customs, at the most accessible post office listed, for appropriate treatment. The inspector concerned will pass upon the contents under the plant quarantine act and with co-operation of the customs and postal officers either release the package from further examination or divert it to Washington, D.C., Hoboken, N.J., San Francisco, Calif., or Seattle, Wash., for disposition. Ultimately the package will be either returned to the country of origin as a prohibited importation or, if dangerous to plant life, will be destroyed.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING AUGUST 2, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, August 2, 1943, and for the week ending Monday, July 26, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending July 26	Nominal Quotations in Montreal Week ending August 2	Official Bank Rate
Great Britain. . . . . Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. . . . . Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico . . . . . Peso	.4985	.2284	.2284	4
Jamaica . . . . . Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. . . . . Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2788	.2786	—
Brazil. . . . . Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana . . . . . Dollar	1.0138	.9313	.9313	—
Chile . . . . . Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. . . . . Peso	.9733	.6358	.6358	4
Venezuela . . . . . Bolivar	.1930	.3330	.3330	—
Uruguay. . . . . Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5883	.5870	—
South Africa. . . . . Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India. . . . . Rupee	.3650	.3359	.3359	3
Australia . . . . . Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. . . . . Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—



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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

# Commercial Intelligence Journal

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## SOUTH AFRICAN POST-WAR ECONOMIC POLICY

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, June 25, 1943.—The Union of South Africa is the world's leading producer of gold and the mainstay of the country's economy is based on gold production. It enables payments to be made for merchandise imports which are consistently greatly in excess of exports, is directly and indirectly the principal source of state revenue and in the same way provides employment for nearly half of the total population.

The general economic history of the Union falls naturally into three periods, namely:—

Farming .....	1652-1867
Farming—Mining .....	1868-1909
Farming—Mining—Industry .....	1910 onwards

In the year 1910, which was at the time of union, imports of manufactured goods were valued at £26,370,000 or 72 per cent of the total figure and raw materials accounted for £3,565 or 9 per cent, reflecting the Union's status as a "young" developing country building its economy upon a farming tradition and an expanding mining industry. In 1918, at the end of the first Great War, the proportions were 80 per cent and 9 per cent respectively, while in 1920 the figures had fallen to 74 per cent and 8 per cent respectively.

During the Great War, shipping difficulties—although less acute than now—and the scarcity of overseas manufactures, owing to armament programs, focused fresh attention in this country upon local factory under-



takings and prospects. A scope for considerable expansion was readily apparent and a general official summary shows that the number of manufacturing establishments in the Union rose from a tentatively estimated figure of 2,473 in 1911 to 3,998 in 1915-16 and to no less than 7,005 in 1920-21. In 1926-27 there were 7,170 establishments; in 1932-33 the figure was 7,669 and rose to 10,256 in 1938-39, the last period for which figures are available.

Since then the progressive deterioration of maritime transportation facilities coupled with the enhanced purchasing power of the public, both a result of the present war, have been a powerful incentive to the further development of domestic production. There is an important section of public opinion which believes that after the close of hostilities the Union will have reached an age of maturity as a manufacturing nation when it will be capable of supplying not only a large proportion of its own requirements of fabricated goods but with a surplus for export to other parts of the African continent.

The Union Government, while supporting and assisting in the wartime development of secondary industry has, so far, been non-committal as to exactly what its policy will be on the question of protection after the war. The official attitude appears to be, however, one of caution—a wait-and-see attitude—with a desire to making South African economy agree with the principles of the Atlantic Charter, and to fit it into the larger framework of post-war world economy.

#### PRE-WAR INDUSTRIAL DEVELOPMENT

In order to give some indication of the scope and progress of factory activity in terms of money, a sample table of employment, wages, output and so on, is subjoined:—

##### *Industrial Establishments*

	No. of Estab- lishments	No. of Employees European Others	Salaries and Wages European Others		Materials Value	Output Value
			£1,000		£1,000	£1,000
1911.. . . .	2,473	21,049	44,867	4,209	9,389	17,249
1915-16.. . .	3,998	39,524	61,654	6,740	22,316	40,435
1921-22.. . .	7,055	59,995	110,956	14,777	5,353	42,823
1929-30.. . .	7,695	90,858	127,440	20,507	7,019	56,802
1932-33.. . .	7,669	87,173	105,310	16,823	5,052	43,738
1936-37.. . .	9,987	140,203	192,565	31,489	10,042	89,834
1938-39.. . .	10,256	144,838	207,662	34,685	11,394	101,472
						199,617

Before proceeding to a closer examination of industry one further aspect of general importance may be mentioned, namely the regional location of industries. Up to, say, 1930, the main section of industrial activity was found in the coastal areas Cape Western, Port Elizabeth, Durban and Pinetown, while the Southern Transvaal, including the Reef, Pretoria and Vereeniging contributed about 35 per cent of total activity. Since 1930, the position has altered considerably and it is now estimated that the Southern Transvaal percentage of activity is approaching 45, leaving about 35 per cent to the above-named coastal areas and the remaining 20 per cent at other industrial centres like East London, Pietermaritzburg, Witbank, Kimberley, etc.

Although it is not possible to catalogue industries in order of absolute importance, some indication of the relative values is given in the annual output values of privately-owned factories; and additional figures in regard to cost of materials used and cost of Union materials used are also given and the latter group will naturally be doubly important as in some instances it provides an indication of prospects for primary producers in relation to the possible expansion of industrial requirements:—

*Value of Materials Used by Industries*

1934-1935

	Cost of Materials used £	Cost of Union Materials used £	Gross Value £
Food and drink, etc. . . . .	22,658,000	20,202,000	34,579,000
Metals and engineering . . . . .	9,071,000	3,550,000	19,650,000
Building, etc. . . . .	5,231,000	2,545,000	9,720,000
Chemicals, etc. . . . .	4,227,000	916,000	8,120,000
Vehicles, etc. . . . .	3,967,000	383,000	7,001,000
Clothing, textiles . . . . .	3,838,000	260,000	8,194,000
Leather, etc. . . . .	2,483,000	1,348,000	4,463,000
Books and printing, etc. . . . .	1,657,000	23,294	5,762,000
Wood, etc. . . . .	1,317,000	360,000	2,755,000
Furniture . . . . .	1,202,000	119,000	2,615,000
Heat, light and power . . . . .	1,139,000	893,000	5,636,000

1938-1939

Food and drink, etc. . . . .	31,241,000	27,929,000	47,777,000
Metals and engineering . . . . .	13,803,000	6,624,000	30,628,000
Building, etc. . . . .	8,300,000	4,035,000	15,681,000
Chemicals, etc. . . . .	6,444,000	1,517,000	12,016,000
Vehicles, etc. . . . .	5,545,000	679,000	9,993,000
Clothing, textiles . . . . .	5,332,000	260,000	11,326,000
Leather, etc. . . . .	3,226,000	1,666,000	5,861,000
Heat, light and power . . . . .	2,505,000	2,033,000	10,032,000
Books, printing, etc. . . . .	2,452,000	91,000	8,050,000
Wood . . . . .	2,207,000	913,000	4,292,000
Furniture, etc. . . . .	1,696,000	212,000	3,758,000

Up to the outbreak of the war there was no reason to anticipate any change in the steady expansion that had been evident since Union—excepting the two depression periods 1920-21 and 1930-32. Particular attention was rightly being attached to the establishment of assembly plants for vehicles, chemicals, drugs, foodstuffs, automobile tires, and such like products which offered overseas' manufacturers a footing in the specially protected South African market.

As wartime shipping restrictions and overseas countries' export controls became extended, South Africa was forced to rely upon its own resources for raw material. Particularly during 1942 the gap between supplies and requirements widened and seriously hampered output. Materials involved included articles for the manufacture of clothing, rubber, textiles, steel, lumber, tinplate and paper. The scarcity of skilled labour, owing to recruitment for the armed forces, was an added disability, but despite all these difficulties, accumulated stocks, growing local resources, the standardization of products and the change-over of mining and other plant to munition making have yielded a rich return in the form of a marked upward trend in the total output value of industry. No figures are available but on the basis of the 1938-39 grand total of £172,773,000, in respect to the gross value of private factories' output, it would be reasonable to assume the 1942 total to approximate £210,000,000 inclusive of the increase in prices, and, if full supplies of raw materials and additional machines had been available, it is probable that the figure would have been in the vicinity of £250,000,000.

There has been no cataloguing of new industries or new products, officially or unofficially. As far as can be ascertained, however, the following industries have either been established during the war years or have been favoured by the war, or the commodities in question have been produced for the first time: Building accessories, including bath tubs, basins, sinks and builders' hardware; munitions and ancillary equipment, such as gun fire control instruments, engineering stores, also army blankets and uniforms; machine tools, precision tools and gauges, lathes and hydraulic presses, hack saw blades, ball bearings; tool steel, safes and strong room doors; wooden heels for ladies' shoes; Cotton drill, cotton



wool; hair brushes and vacuum cleaner brushes, hair combs; plastic buttons; insulating tape; fish and shark liver oils; hospital equipment; chrome salts for tanning; electrical apparatus, such as kettles and heaters; substitute foodstuff containers; bale binding and fencing wire; various tanning and leather trade requisites; dehydrated fruits and vegetables; dolls and other toys; various medicinal and toilet preparations.

Apart from the foregoing there have been as a matter of course an almost unlimited number of additions to existing plants and by-products developments. In addition some older industries which were not functioning on a satisfactory basis have expanded and are flourishing, owing to wartime shortages of overseas supplies. These include paper and paper board, agricultural implements, wool washing, drugs, chemicals and other allied preparations, diamond cutting, the preparation of cereal foods and various other foodstuff specialties. As an added factor, particularly during the past year, there has been a very considerable development in the application of skilled resources to repair work in marine workshops, to factory and other plant and to farming implements, and it has been said that even small workshops and garages have shown a high degree of skill in saving damaged plant and implements from abandonment.

While the war lasts these developments will be intensified and it is probable that efforts being made to use local farming and mineral resources will be even more successful than they have so far been especially as the calls on Allied shipping for war purposes will undoubtedly be heavier during the next year or so.

#### TRADE UNIONISM

As the table "Industrial Development" shows, the total employment of Europeans in industry has risen from 21,049 in 1911, to 144,838 in 1938-39, while concurrently the non-white labour figure went up from 44,867 to 207,662. Industrial legislation effective in the Union at the present time includes regulation of wages and conditions of employment, apprenticeship and insurance. Nearly all industries have trade unions and the total of trade-union membership in 1940 is given as 272,487. The union principle is strongly entrenched in most quarters and continuous efforts are being made to extend memberships and, more recently, to introduce the union principle of collective bargaining and action into tertiary industries, notably, the distributive trades, and there would seem to be a movement on foot to combine all "workers", including those wearing white collars, into one group.

#### FUTURE OUTLOOK

But for the intervention of the war, it can be safely assumed from the statistics already given, that the period 1939-43 would have recorded further industrial progress along the lines of the preceding years. This is, in brief, on the foundation of the gold mining industry and to a lesser extent on agriculture.

As, however, the war did intervene and has stepped up industrial expansion to unprecedented levels as well as uncovered latent resources that would have otherwise remained untapped for some time, problems of economic adjustment and decision that would not have become evident for years now call for solution. The problem that now faces the country's leaders is whether or not Union industry can be maintained after the war. It is desirable that work be available in the Union after the war for not only the existing employees but also for the thousands of young men and women who are being given technical training in connection with the Union's war effort. There are also advocates of a liberal post-war immigration policy which if put into effect would put the country face to face with the problem of providing employment for still more people. The expansion of local requirements and the acquisition of new markets in other parts of Africa and the East is recommended by this school of thought.



In the years immediately following the close of the war it will not be difficult for industry in this country to maintain a fairly high degree of activity because it will probably be at least two or three years before demobilization on a large scale will be effected, and before the flow of peacetime production commences to overhaul the accumulation of demand plus the continuing consumptive demand. The only factor of special interest in that period will be the extent to which new local resources are brought into use in Union factories owing to further wartime deprivation of imported supplies.

It will be in the following years that the marketing of the world's industrial products will present more serious difficulties, and newer manufacturing countries, such as the Union of South Africa, may find that markets will be lost to the older manufacturing countries who have one or more of the manufacturing benefits of tradition, natural resources, geographical position, a large home market or what not. Manufacturers in South Africa will then find that there are basically only two factors making sales possible in free markets, namely, price and/or quality. The steady upsurge of world factory outputs will in a comparatively short period place the newer countries in a position where they will be forced to choose between protection of their infant industries or the abandonment of many apparently promising ventures.

Much of all this will, of course, depend upon the manner in which the Atlantic Charter is applied. If it can be put into effect it is extremely naive to expect that relatively unimportant industrial centres will be allowed to foster industries at the expense of the old established manufacturing countries because it is the latter who will have to bear the burden of finding employment for their own industrial population if a fresh crisis is to be avoided. In South Africa's case there is an added and important negative factor in that if those main manufacturing countries continue to purchase South African gold and thus enable this country to maintain its present economy, it will be very difficult to insist on other benefits despite any acknowledgment of the indispensability of gold as a medium of exchange.

Despite wishful thinking about export markets, it is generally conceded that industrial products from the Union cannot, in general, compete in outside markets owing to high cost of production and to geographical disabilities. It is then to the home market that the local manufacturer must look for his main outlet. Assuming that established industries can be protected from lower cost competition, the question arises does the Union market offer the Union industrialist a margin for expansion sufficient to provide employment for the number of workers envisaged?

The white population of the Union is about 2,200,000 with approximately 8,000,000 non-whites making up the balance. The great bulk of the latter live under primitive aboriginal conditions while included in the former are an estimated 400,000 "poor whites". Normal buying capacity on the basis of skilled wage and salary earners is confined to, say, one million whites and half a million non-whites. Before the war, even in prosperous times, considerable unemployment was evident and production was curtailed but was still sufficient to keep demand adequately supplied. If capacity output had been maintained, the local buying market in all probability would have been oversupplied. After the war the industrial labour supply will be much larger and capacity output will be much higher, the net result therefore is likely to be that the factory output will potentially considerably outstrip the added buying power of the new employment so that the apparent surplus will be appreciably larger than during the pre-war years.

It is thus apparent that even if it were possible to give local industries all the protection required to give them a monopoly market, the scale of production would be limited by the effective buying public which actually represents—on the present production cost basis—about 15 to 20 per cent of the

population. In other countries the effective home market usually represents about 60 to 80 per cent of the population, and these population units are the basis of these countries' production efforts.

High wage rates and constant pressure for increases in all spheres are constantly given in this country as reasons for its inability to cater for a larger home market and to compete abroad but it is fallacious to assume that the wage factor is solely or even mainly responsible for the high costs that characterize all Union industries. The cause lies much deeper and may be sought in the enforced idleness of many of the population units.

To sum up the position briefly, it may be stated that in view of the virtual certainty of the uninterrupted production and sale of gold, there is no reason why industrial activity in the Union should show any decline during the next few years, apart from the one uncertain factor of protection in the application of the Atlantic Charter. On the other hand the question arises as to whether the present economic structure of the Union is sufficiently elastic to provide an outlet for the expansion that will follow the employment of returned soldiers, technicians and the developing elements of the non-whites.

#### INDUSTRIAL DEVELOPMENT CO-OPERATION

One of the first steps taken by the Union Government to foster industrialization was the passing of the Industrial Development Act No. 22, of 1940, which was gazetted on May 15 of that year and as amended in April 1942. Its objectives are given as follows:—

- (a) With the approval of the Governor General, to establish and conduct all industrial undertakings, and
- (b) to facilitate, promote, guide and assist in the financing of—
  - (i) new industries and undertakings, and
  - (ii) schemes for the expansion, better organization and modernization of, and the more efficient carrying out of operations in existing industries and undertakings, to the end that the economic requirements of the Union may be made, and industrial development within the Union may be planned, expedited and conducted on sound business principles.

Its efforts so far have been on the basis of fostering industries which fit into the Union's present limited economy and to that end it has been successful. Their difficulty lies in framing a policy in such a way that mining, farming and industry will fit naturally therein.

The foregoing brief survey gives a summary of the background and present position of Union industry. It shows the underlying grave weakness of the industrial fabric, namely, the limited market economy. Both Government supporters and opposition are united in the belief that secondary industry must play a larger part in the life of the Union. It may be taken for granted, too, that heavy industry, as well as the more securely established food and drink industries, and the footwear and clothing factories, will point with pride, and with reason, to their valued and indispensable contribution to the war effort.

Suggestions have already been made that there should be a separate Department of Industries in Pretoria. The Board of Trade and Industries—which is a Tariff Board with somewhat wider powers—has been commissioned to make a general investigation into the whole industrial position while the Chambers of Industry—regional organizations of manufacturers—have also been invited to submit their views to the Board which will act as a clearing house and co-ordinating body.

All indications are that there will be a strong protectionist sentiment demanding a semi-monopoly of the home market. If this should be the ultimate



choice of the country it will be a policy of isolation. On the other hand, if some of the utterances of the Minister of Commerce and Industries can be regarded as a reflection of the opinions held by the Cabinet, the Union position will be influenced by the Atlantic Charter and world attitude in regard to the protection of industry and moderation may prevail. If such turns out to be the case base metals, including coal, will no doubt be developed to an industry larger than has so far been practicable. Taking into consideration the Orange and Zambesi River schemes and national irrigation projects there may be some scope for the expansion of secondary industries drawing its materials from farming, all of which can utilize the present unused labour and consumer elements.

## NEW ZEALAND BUDGET, 1943-44

C. B. BIRKETT, ACTING TRADE COMMISSIONER

Auckland, June 24, 1943.—During the current financial year New Zealand will spend £213,500,000, according to the budget statement of the Minister of Finance on June 3. Expenses under the War Account are estimated at £148,000,000, an increase of £4,000,000 actually spent on this account during the financial year ended March 31, 1943. Expenditure under the Consolidated Fund or Civil Account will be £41,600,000; Social Security Fund £17,400,000; and National Development (housing and hydro-electricity) £6,500,000.

Total revenue to the war account is estimated at £98,000,000 including £40,000,000 under lend-lease. The deficit of £50,000,000 is to be financed to the extent of £10,000,000 from departmental funds, and £40,000,000 from public war loans.

This is New Zealand's fourth war budget and her largest, and is particularly notable for the fact that no increase in taxation, direct or indirect, is proposed. Moreover certain benefits are extended to soldiers and old age pensioners. Disabled ex-servicemen are to receive an increase of £1 a week in disablement pension as from July 1. If qualified they are also to receive £1 15s. a week economic pension, and, if married, a wife's allowance of £1 a week and 10s. 6d. for each child. Pensions to war widows are also to be raised. The rate of age benefit is to be increased from £1 10s. a week with 1s. 6d. cost-of-living bonus, to a flat rate of £1 12s. 6d. a week.

### WAR ACCOUNT

The £148,000,000 for war purposes includes £10,000,000 for the navy, £68,000,000 for the army, £34,000,000 for the air force, £20,000,000 under reverse lend-lease, and £16,000,000 for civil needs. This total estimate compares with £133,000,000 budgeted for last year, £148,000,000 received in revenue and £144,000,000 actually spent under this account. A table of actual expenditure and revenue for 1942-43 with estimates for the current year is given below:—

### Expenditure

	Estimated 1943-44	Actual 1942-43
Navy . . . . .	£ 10,000,000	£ 8,500,000
Army . . . . .	68,000,000	88,900,000
Air . . . . .	34,000,000	24,300,000
Civil . . . . .	16,000,000	14,900,000
Reverse lend-lease* . . . . .	20,000,000	7,000,000
Miscellaneous . . . . .	.....	400,000
Total . . . . .	£148,000,000	£144,000,000



*Revenue*

	Estimated 1943-44	Actual 1942-43
War taxation . . . . .	£ 40,000,000	£ 39,600,000
Consolidated fund† . . . . .	5,700,000	3,200,000
Miscellaneous . . . . .	300,000	400,000
Security agreement . . . . .	12,000,000	15,400,000
Lend-lease* . . . . .	40,000,000	26,800,000
Public loans . . . . .	.....	62,600,000
Total . . . . .	£ 98,000,000	£ 148,000,000

## CONSOLIDATED FUND

This fund last year produced a surplus of £4,200,000 which has been transferred to the War Account. During the present year expenditure is set at £41,600,000—£3,014,000 more than actually spent last year. Of the increase, higher loan charges account for £2,500,000. Other increases are £113,000 for education, £300,000 for transfer to Social Security Fund, and £1,108,000 for war pensions. Revenue from income tax is expected to total £19,100,000, approximately the same figure as realized last year although the budget estimated only £16,500,000.

A summary of the Consolidated Fund Estimates is as follows:—

*Revenue*

Customs tax . . . . .	£ 6,600,000	
Beer duty . . . . .	1,800,000	
Sales tax . . . . .	3,500,000	
Highways . . . . .	1,600,000	
Stamp duties . . . . .	1,700,000	
Land tax . . . . .	1,000,000	
Income tax . . . . .	19,100,000	
Miscellaneous . . . . .	200,000	
Total . . . . .		£35,500,000
Interest recoveries from trading activities, etc. . . . .		4,100,000
Other receipts . . . . .		2,000,000
Grand total . . . . .		£41,600,000

*Expenditure*

Permanent appropriations (including transfer of £1,500,000 to War Expenses Account) . . . . .	£19,666,000	
Annual votes . . . . .	21,554,000	
Total . . . . .		£41,220,000
Supplementary estimates and contingencies . . . . .		380,000
Grand total . . . . .		£41,600,000

## SOCIAL SECURITY

Slight increases in benefits to the aged, invalids, minors, war veterans, families and widows call for an expenditure under this heading of approximately

\* The net revenue from lend-lease reveals the position of this item for the first time and shows how New Zealand, so far as outside financial assistance is concerned, is depending more on the United States than on Great Britain, from whom under the Memorandum of Security Agreement she is only to receive £12,000,000 this year.

The £20,000,000 in reverse lend-lease to the United States will provide £9,000,000 for food-stuffs, £2,000,000 for buildings, mainly hospitals, £2,000,000 for camps, £1,500,000 for warehouses, £2,000,000 for shipbuilding, £2,500,000 for rentals, wharf labour, etc., and £1,000,000 for miscellaneous. Compared with last year New Zealand's contributions in this respect are proportionately much greater. Under the lend-lease item of £40,000,000 the principal benefit will comprise aeroplanes. Oil fuel, equipment and supplies for the armed forces, and other essential purposes, will account for the balance.

† This item is made up from a surplus of £4,200,000 achieved in last year's consolidated fund and transferred to the War Account, plus £1,500,000 from this year's revenue.

Notable is the decrease in army expense and the increase in navy and air force expenses. The civil item reflects the place in the war effort of the civilians.

£17,403,080 as compared with £15,950,000 last year. The principal items contributing to this increase are age, family and widows benefit. In view of the growing interest of Canadians in social security measures, the New Zealand estimates for 1943-44 will be of interest:—

### *Expenditure*

Monetary benefits—	
Age . . . . .	£ 8,100,000
Widows . . . . .	965,000
Orphans . . . . .	22,000
Family . . . . .	920,000
Invalids . . . . .	1,030,000
Minors . . . . .	80,000
Unemployment . . . . .	60,000
Sickness . . . . .	420,000
Universal superannuation . . . . .	820,000
Emergency . . . . .	130,000
Maori war . . . . .	80
Total . . . . .	£12,547,080
Hospital, etc., benefits—	
Hospital . . . . .	2,067,000
Medical . . . . .	1,030,000
Maternity . . . . .	539,000
Pharmaceutical . . . . .	536,000
Supplementary . . . . .	160,000
Total . . . . .	£4,332,000
Administrative expenses . . . . .	524,000
Grand total . . . . .	£17,403,080

### *Revenue*

Social security charge . . . . .	£11,600,000
Registration fee and miscellaneous . . . . .	575,000
Transfer from Consolidated Fund . . . . .	4,100,000
Total . . . . .	£16,275,000

### NATIONAL DEVELOPMENT

Under this heading it is proposed to spend £6,500,000 financed by a civil loan program. This amount exceeds the figure for last year by £1,500,000 and will principally take care of housing and hydro-electric requirements involving the sums of £4,000,000 and £2,000,000 respectively. Owing to a serious shortage of houses in Wellington and Auckland, the Government is determined to carry on as large a building program as available men and materials will permit. Accommodation for returning soldiers is of great concern. An acute shortage of electric energy is only capable of partial solution and continues a source of greater concern.

### WAR LOANS

As mentioned above the estimated £50,000,000 deficit in the War Expenses Account is to be financed by £10,000,000 from departmental funds and £40,000,000 by war loans. Putting this scheme into immediate effect, a third liberty loan campaign was opened on June 8 for the amount of £35,000,000. The remaining £5,000,000 it is expected can be obtained later in the year.

This third loan is by far the largest opened by the Government as a means of helping to finance the war expenditure. The first liberty loan opened in May, 1942, was for £15,000,000, and the second loan floated in October of the same year was for £10,000,000. In addition to these there was a compulsory loan for £8,000,000 issued in October, 1940, and a voluntary loan for £10,000,000 issued in August, 1941. The new loan comprises two issues of stock, one of 2½ per cent repayable June 15, 1947-49, and the other 3 per cent repayable on December 15, 1953-56. The minimum subscription for stock is £10.

## NEW ZEALAND TRADE AND ECONOMIC NOTES

C. B. BIRKETT, ACTING TRADE COMMISSIONER

### Dairy Production in New Zealand

Auckland, June 24, 1943.—According to a recent announcement by the Minister of Agriculture, the production of butter and cheese for export during the nine months ended April 30, 1943, was 9.67 per cent less than for the corresponding period last season. A factor in this decrease was an increase in local consumption of 1,000 tons.

During the nine months of the present season the export butter output totalled 104,826 tons as compared with 99,468 tons for the same period in 1941-42, an increase of 5,358 tons or 5.38 per cent. Cheese production for export for the same periods was 90,576 tons and 138,107 tons, a decrease of 47,531 tons or 34 per cent. These figures demonstrate the present program of increased butter production at the expense of cheese production.

Stocks of butter in store in the Dominion on May 1 totalled 34,000 tons as compared with 38,500 tons on the corresponding date last year, while the respective figures for cheese were 23,000 and 40,000 tons.

### Pulp and Paper Mill

The licence to manufacture kraft paper and pulp in New Zealand from locally grown timber, referred to in New Zealand Trade and Economic Notes published in *Commercial Intelligence Journal* No. 2061 (July 31, 1943), has been granted to the New Zealand Forest Products Ltd. According to the Managing Director, plans long prepared will be given immediate effect, sufficient funds being already in hand to finance the project.

It is expected that the erection of the plant will take anywhere from eighteen months to two years and that much of it will have to be obtained from overseas.

### Collection of Waste

Statistics of collections of waste materials and particulars of immediate requirements have been announced by the National Council for the Reclamation of Waste Materials.

The appeal for waste materials from 1940 onward has produced 230 tons of non-ferrous metals, hundreds of tons of cast iron, 17,750 tons of paper, 2,200 tons of rubber waste, 41 tons of cleaning rags and several hundred thousand electric light globes.

Present requirements of clean waste paper and cardboard are 11,000 tons a year, of which 6,000 tons are needed for the paper board mills. The requirements of rubber waste are estimated at between 8,000 and 10,000 tons a year. Already nearly 1,000 old tires have been delivered to the two rubber mills in the Dominion. From 800 tons of reclaimed rubber the following goods are being made—rubber soles, tire retreads, jungle boots, cycle tires, washers, stoppers, plugs, heels, etc.

### Gum-boot Manufacture

Sufficient rubber for the production of 90,000 pairs of gum boots has been allocated by the Minister of Supply to the Christchurch firm which has established a factory for gum-boot manufacture. It is expected that production will begin at the end of next month, and supplies of gum boots will probably be available for farmers in the early spring.

The gum boots to be made in Christchurch will be of the "austerity" type and will contain a large proportion of reclaimed rubber. The machinery in the factory has been imported from Canada, and production will be under the control of an expert with experience in Canada and the United States.



### **Production of Salt**

The Latex Rubber Co. Ltd. has recently secured a licence to develop a scheme for the commercial production of salt in the South Island of New Zealand, and they have been given sole manufacturing rights. According to a statement issued by this firm a selected area of 1,200 acres of low land normally under water in winter has already been enclosed with embankments. This area will be subdivided into paddocks of approximately 50 acres each and the company hopes to start pumping in salt water about September next.

It is expected that the first salt will be obtained next summer (November-April).

Tests taken over a period of twenty years indicate that the area chosen offers strong advantages for the particular evaporation process to be employed, the lake bed being dry in parts most of the summer. The land is flat and a high wind and long hours of sunshine are favourable factors.

### **Government Housing Plan**

A housing construction program under which the Government aims at building 3,600 state houses within the next twelve months has begun. The scheme is designed particularly to relieve the acute shortage of accommodation in Wellington and in Auckland. Twelve hundred units are to be built in each centre, the balance being distributed throughout the two Islands according to local needs.

The official announcement states that returned servicemen will have 50 per cent preference in the allocation of all houses to be built and that it is considered that 3,600 houses per year will provide progressively for returned men and also for more urgent civilian cases.

The inauguration of this new housing program has been made largely possible by the fact that the construction of certain defence works is not so urgent now as previously owing to the improved situation in the South Pacific.

### **Living Space to be Rationed**

Living space is to be rationed in New Zealand as a wartime measure. As far as tenants of State dwellings are concerned, it is already rationed, and it is understood the system will be applied to private building when the exigencies of the defence program allow of the transfer of labour and materials for civil employment.

Sleeping accommodation will be the basis on which the needs of the family intending to occupy the residence are to be judged. In a two-bedroom house, for example, the aggregate floor space allowed will probably be about 1,145 square feet. This area would allow for a living room 16 ft. by 14 ft.; dining room 14 ft. by 12 ft.; kitchen 10 ft. by 8 ft.; bedroom 15 ft. by 15 ft.; second bedroom 14 ft. by 12 ft.; vestibule or passage, bathroom, laundry and other offices, total 280 square feet.

### **Ban on Pork Sales**

Owing to a decline in pig production and increased demands from the armed forces in the Pacific, the New Zealand Food Controller has been obliged to prohibit the sale of fresh, frozen, pickled or cooked pork, other than bacon or ham, during May and June. It is possible that this period may be extended.

The present shortage of pigs is a serious problem and concern is felt for the industry. The cause of its present condition was the detrimental effect produced by the change over from all-out butter production to all-out cheese production two years ago, when pigs were sacrificed in large numbers at a fraction of their cost.

To encourage farmers to carry the maximum number of pigs during the winter months (June to October) the price schedule is to be raised for this period.

### Rationing of Eggs

A preference rationing scheme is to ensure the supply of eggs during the winter season in Wellington and in Auckland to those whose needs are greatest, and it is to apply to those centres where shortages are most acute. The scheme is to be operated from June 14 to the end of August and it will replace the present system of unofficial rationing through infants' and mothers' aid societies and the Internal Marketing Department.

The procedure to be followed is that preferential consumers are to be given a ration card for deposit with the retailer usually purchased from. Supplies will be made available to the retailer in accordance with the number of cards he holds. Preferential consumers are as follows: any child under the age of 5 years; expectant mothers; and invalids possessing medical certificates denoting the special diet prescribed.

### GOLD MINING IN INDIA

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One rupee is approximately equal to \$0.335 Canadian)

Bombay, May 31, 1943.—World-wide concentration on gold production during recent years and the probability that this metal will continue to play an essential role in international trade and finance after the war suggest a review of the gold-mining industry in India. This country is not believed to have extensive deposits of gold, but it still ranks among the world's secondary sources of supply. According to the Canada Year Book, 1942, Indian gold output in 1940, including limited production in Burma, amounted to 289,357 ounces valued at \$10,127,495. By comparison, Canadian production during the same year was 5,311,145 ounces valued at \$185,890,075, while estimated world output was 40,555,846 ounces with a value of \$1,419,454,610.

### INDIA'S GOLD RESOURCES

Making allowance for the fact that India's mineral resources have not been completely surveyed or accurately estimated, it may be assumed that the bulk of the country's gold deposits are in southern areas, principally Mysore state. The Kolar gold field in Mysore has to date contributed the bulk of all Indian production. There are also deposits in Hyderabad and in Madras, while some small deposits are known to exist in Bombay Presidency. In addition, limited quantities of placer gold have been produced in the Punjab, the United Provinces, Bihar, and Orissa.

### PRODUCTION

India's total gold production is at present considerably less than during the early years of the century when it averaged over 500,000 ounces annually, and for one year at least exceeded 600,000 ounces. The average output during the last ten years has only been slightly more than half of this figure. In 1931 it amounted to 330,488 ounces and has remained at or near this amount until 1940, when, as already noted, it fell off to 289,357 ounces.

Production values have naturally fluctuated considerably but have shown a generally upward trend during late years. Comparatively recent figures relating to the industry indicate that for the same volume of production as was recorded ten to fifteen years ago the present value represents an increase of approximately 50 per cent.

The following table summarizes the main trends in Indian gold output from 1931 to 1940; these figures include the quantity and value of production from several small mines in Burma:

### Production in India

	Quantity Ozs.	Value Rs.
1931	330,489	20,801,943
1932	329,682	25,351,438
1933	336,108	27,640,071
1934	322,143	29,271,130
1935	327,653	30,401,775
1936	333,386	30,602,413
1937	331,748	30,480,105
1938	321,137	30,475,397
1939	316,504	30,771,567
1940	289,357	30,382,485

## DISTRIBUTION OF THE GOLD-MINING INDUSTRY

Gold production in India centres around the Kolar gold field in the State of Mysore. This deposit, situated some 40 miles from the city of Bangalore, comprises a gold-bearing reef of quartz some four miles in length. Mining operations on a modern scale date from 1885, and maximum production was attained in 1905 with an output of 631,116 ounces. There has been a gradual decline in the volume of production since that time, but the introduction of new recovery methods has permitted these figures to be well maintained despite the reduction in ore resources.

Second in importance among India's gold mines is the Hutti mine in Hyderabad State, the property of the Nizam. Development of these deposits began in 1903. Production is known to have been much below that of the Kolar gold field, but no data of recent output are available. There are several smaller mines in the Anantapur district in Madras Presidency and at Dhawar in Bombay, but nothing is known of recent output. Placer mining in the Punjab, United Provinces, Bihar, and Orissa has accounted for a few hundred ounces annually.

Prior to the separation of Burma from India, the Kyaukpazat mine in Upper Burma had produced considerable quantities of gold, but operations terminated in 1903. Dredges operating along various stretches of the Irrawaddy have also accounted for a small annual output, but no details of these operations are available for recent years.

## FOREIGN TRADE IN GOLD COIN AND BULLION

India's foreign trade in gold coin and bullion has been concerned for the most part during fairly recent years with the import of sovereigns and other British gold coin and with imports also of gold in bars, ingots and several other forms. This trade has not been large, its total value in 1939-40 having amounted to Rs.13,272,707, of which coin represented Rs.4,463,691 and uncoined gold Rs.6,949,689, the remainder being made up of gold in various miscellaneous forms. Exports, on the other hand, have reached much larger values, averaging some Rs.275,000,000 during the years 1935-36 to 1939-40. Practically all these shipments were bar, ingot, and other forms of uncoined gold, the value of such trade in 1939-40 having accounted for Rs.358,778,930 out of total exports valued at Rs.360,026,302.

## IMPORTS OF MINING MACHINERY

The gold-mining industry requires only small quantities of mining and metallurgical machinery and equipment as compared with total Indian requirements of such materials, and it is impossible to segregate such imports from the



total of all goods of this type. While not particularly relevant, therefore, it is still noteworthy that India's imports of miscellaneous types of mining machinery have been valued at some Rs.3,500,000 annually, apart from the value of pumping equipment, electric materials and a variety of other items that are not specifically designed for use by the mining industry. Of this amount a considerable part represents oil-drilling apparatus, largely of United States origin. Other countries that have participated in the trade are the United Kingdom, the Netherlands, and Belgium. Indian trade returns do not record any imports of mining equipment from Canada. Calcium carbide and drill steels of Canadian manufacture are used in various mines throughout India and there appears to be reasonable scope for some increase in the supply of various types of mining equipment from Canada to the Indian market.

## PEAT FUEL DEVELOPMENT IN IRELAND

E. L. MCCOLL, CANADIAN TRADE COMMISSIONER

### II. Briquetting Methods

A factory equipped with machinery for the briquetting of turf by the Peco process was erected at Lullymore, County Kildare, in 1935. It was operated as private enterprise until 1939, when it was taken over by the Turf Development Board, which had been set up by the Government to organize the peat-fuel resources of the country. On account of wartime conditions, the Board experienced considerable delay in overhauling and replacing machinery, so that the factory was not again in full production until 1941.

#### PECO PROCESS

The artificial drying of raw peat has been proved uneconomic, while natural drying is dependent on the weather and is therefore very uncertain. The object of the Peco process (certain stages of which are patented by Peco, Ltd., London), is to obtain a mean between these two methods and, by drying raw peat partly by natural agencies and partly by artificial means, to produce economically a peat fuel of low moisture content in the form of briquettes.

The process entails cutting by machinery from the prepared and drained surface of the bog, in powdered form, layers of raw peat about one-half inch deep and, when it has been dried to a moisture content of 50 to 55 per cent by natural agencies, removing this peat powder from the bog to the factory. On arrival at the factory the peat is conveyed to a high level, from which it is fed on to screens which pass the fines for drying and the coarser particles, mainly fibre, for pre-drying by flue gases prior to being fed to the boiler. At the Lullymore plant the boiler supplies 17,000 pounds of steam per hour at 500 pounds pressure to a back-pressure turbine which drives a generator of 750 kw. capacity, the latter supplying electrical energy for the many motors in the factory.

The steam from the turbine at 25 to 45 pounds pressure supplies heat for the drying of the peat fines that have been passed by the screens. There are five driers, which are essentially steel shells about 6 feet in diameter and 35 feet high, each containing about 800 steel-spiralled  $\frac{3}{4}$ -inch tubes through which the peat is blown at a very high velocity by means of electrically-driven fans. Cyclonic separators, air-locks, screw and belt conveyers, and heat exchangers are suitably disposed to enable the flow of both peat and drying media to proceed in the required manner, while lagging is employed extensively to keep the heat loss of the system as low as possible.

As the peat powder emerges from the final dryer, it has about an 8 to 10 per cent moisture content, and in this condition it is fed by a gravity duct to a

briquetting press of the German Braunkohle industry type. The press is driven by a 285 h.p. variable speed commutator motor at 45 to 70 revolutions per minute and the pressure exerted on the peat is approximately 5 tons per square inch. In the Lullymore factory there are two presses, each with two stemples, but only one press can be operated at any given time.

### PRODUCTION

The Lullymore factory was designed to turn out 50,000 tons of briquettes per annum, which would entail the production of 150,000 tons of milled peat, as it is estimated that one ton of briquettes would be obtained from three tons of milled peat of 50 to 55 per cent moisture content.

The season extends from April to September, and the area so far developed is 500 acres. The number of times the bog can be milled, or "harvested", during a season depends, of course, largely upon weather conditions, and experience has shown that the number of harvests may be fifteen or less in a bad year. The amount originally estimated as obtainable from one acre was 8 tons, but it has now been realized that 5 tons would be a more accurate figure. Assuming fourteen harvests and a yield of  $4\frac{1}{2}$  tons per acre per harvest the total production of milled peat from 500 acres in a bad season, with an adequate number of suitable machines, is 31,500 tons, which will yield approximately 10,000 tons of briquettes. It is obvious, therefore, that the present factory could not be supplied from 500 acres of bog with sufficient milled peat to produce a volume of briquettes even close to 50,000 tons.

Many factors militate against an increase in production at present, chief among them being wartime conditions, which prevent the renewal or replacement of machinery or parts. During the 1940, 1941, and 1942 seasons a total of 4,642 ridges (each ridge being the product in milled peat of 5 acres) were harvested (owing to the change in management, 1940 was an incomplete season). The number of harvests obtained (a harvest is the milled peat from the 500 acres under production) was 10·16 in 1940, 20·19 in 1941, and 15·97 in 1942. The maximum number of harvests from any field (a field is 5 acres in area) was in 1940, 13·2; in 1941, 24; and in 1942, 20·5.

The amount of milled peat in stock on April 1, 1943, was estimated at 9,200 tons, the equivalent of about 400 ridges. The volume briquetted from the commencement of production by the Board to April 1, 1943, was 28,212 tons, giving an average yield of one ton of briquettes per 0·15 ridge of milled peat.

### MACHINERY AND MAINTENANCE

The bog machinery at Lullymore, with the exception of one loading machine not now in use, and locomotives, which are of German manufacture, was supplied by British firms through Peco, Ltd. Although modifications have been found necessary, the machines are generally satisfactory. The engines, all internal combustion and mostly compression ignition, are subject to relatively arduous operating conditions, due to the continuous slow-moving nature of the work and to the dust-laden and damp atmosphere in which they function. The fleet of machines includes seven milling machines, four ridgers, three harvesters, three small loading machines, and tractors for harrowing and scooping work.

Owing to the acid nature of peat, the maintenance problem in a plant consisting almost entirely of steel conveyers and machinery through which wet peat flows is a serious one, and the expenditure on replacements in the Lullymore factory has been heavy. It is difficult to envisage how this can be avoided when so much light, mild, steel sheet, etc. is exposed to the corrosive action of peat. In addition, although undoubtedly the installation of a dust-removal plant would effect a great improvement, the present conditions obtaining in the factory—an atmosphere laden with peat dust—helps to shorten considerably the life of the many ball and roller bearings.



## DIFFICULTIES IN PROCESSING

Milled peat of a fairly well humified nature, which does not rise appreciably higher in moisture content than 50 per cent, can be processed and briquetted reasonably well, but, with any departure from this standard, difficulties are experienced in maintaining a steady output and in keeping the plant free from stoppages. The moisture content is critical, because any noticeable increase from the figure mentioned overloads several of the factory components in one way or another. The wetter the peat the greater the quantity of it must be carried by the various conveyers for the given output of briquettes. The demand for steam for drying also arises, throwing an extra strain on the boiler, and, when a sudden inflow of wet peat occurs, the plant is not sufficiently flexible to deal with it efficiently. Screening is far more difficult with wet peat, and chokage of the drier tubes, necessitating the tedious operation of blowing down when a number of them become choked, results from the same cause. Poorly humified peat, even if relatively dry, is difficult to briquette satisfactorily, the briquettes folding in the press and laminating on entering the air. The reasons for this are not yet fully understood, but the fact remains that light peat from sections of Lullymore has caused considerable trouble.

## POST-WAR DEVELOPMENT

It seems certain that peat fuel will continue to be used to an increasing extent after the war. A number of factories (e.g. Salts, Ltd., Tullamore), that are now in operation, were purchased with a view to the use of some form of peat fuel, and which, as the industry develops in post-war years, will create a steady demand. A number of other firms who have had their systems adapted to the use of some form of peat fuel and have found it satisfactory, are unlikely to return to the use of coal at the close of hostilities.

This fuel is now used in many hospitals and other institutions. It is used in steam rollers and steam tractors, and in a number of factories, such as Dunlop's of Cork, for producing steam; in the enamel factory at Tralee, where it serves in a blast furnace; and by Salts, Ltd., where it is gasified in a Woollaston gas producer.

The Turf Board guarantees fuel with a moisture content of not more than 30 per cent. As turf is a home product and the conditions of winning it do not present the same problems as coal-mining it seems likely that consumers will continue to use it after the war instead of imported coal.

The calorific value of peat briquettes is approximately estimated at 8,000 B.T.U.s per pound as compared with 12,000 to 14,000 for ordinary domestic coal and 14,000 upwards for coal of superior quality. The present controlled price of briquettes in Eire is 87s. per ton.

The following information was supplied by one of the largest consumers of peat fuel:

Due to the difficulty in obtaining coal, we were forced to use turf for steam-raising; following are the results of one test with 670 tons of machine-won turf:

Number of boilers . . . . .	2
Type of boilers . . . . .	Marine water tube hand-fired
Grate area . . . . .	72 square feet
Rated output with coal . . . . .	10,000 pounds per hour per boiler
Moisture content of fuel . . . . .	33.5 per cent
Calorific value as fired . . . . .	6,780 B.T.U.s. per pound
Duration of test . . . . .	852 boiler hours
Total fuel used . . . . .	670 tons
Water evaporated . . . . .	5,252,800 pounds
Evaporation per hour per boiler (average)	6,185 pounds
Steam pressure . . . . .	170 to 180 pounds per square inch
Superheat . . . . .	130° F.
Temperature of water entering boiler . . .	175° F.
Water evaporated per pound of fuel . . .	3.5 pounds
Load fluctuating	



No economizers are fitted to the boilers, but peak loads of 10,000 pounds per hour per boiler were easily dealt with. The analysis of the fuel was: water 33.5 per cent; volatile organic matter, 47.5 per cent; fixed carbon, 17 per cent; ash, 2 per cent; total sulphur, 5 per cent.

The amount of fuel consumed per hour per boiler was 1,800 pounds.

The only alteration made to the boilers was the fitting of larger fire doors. Since the above test, considerable quantities of hand-won turf of very mixed qualities have been used. There is no difficulty in maintaining steam pressure with dry black turf, but wet or grassy turf is too slow in burning. Due to the long flame, the superheat of steam is higher.

The heating value of good steam coal is 14,000 to 15,000 B.T.U.s per pound and that of black turf in good condition is 7,860 B.T.U.s per pound.

It will be seen from this that, while, due to higher volatile content, less draught is required to burn turf, approximately twice the amount of fuel is necessary to obtain the same heat output as with coal; also additional labour is necessary for handling. Turf requires only about two-thirds of the draught used for coal, and the boiler requires frequent stoking. There is practically no clinker and very little ash, although due to frequent firing, the boiler efficiency dropped. It is necessary to blow the tubes externally at frequent intervals or there is danger of "bird nesting", with consequent loss of efficiency and tube blistering.

Owing to its bulk, the storage and transport of turf is often difficult. Generally if dry turf of good quality is available, it is satisfactory for steam raising, although the cost is higher than that of coal.

## TARIFF CHANGES AND TRADE REGULATIONS

### Trinidad

#### LICENCES FOR IMPORTATIONS FROM SOUTH AMERICA

The Trinidad Control Board announced on July 15, that, on account of an accumulation of outstanding orders on South America for which freight space cannot be obtained, no new licences will be granted for importations from South America, with the exception of footwear and leather.

#### LICENCES FOR IMPORTATION OF RAYON PIECE-GOODS AND FOOTWEAR FROM UNITED STATES

Notices of July 17 and July 20, issued by the Trinidad Control Board, state that, until further notice, licences for importation of rayon piece-goods and boots and shoes from United States would not be granted.

### Antigua

#### STOCKS OF FOODSTUFFS TO BE REPORTED; IMPORT LICENCES

An Order of the Competent Authority in control of imports in Antigua, published in the *Leeward Islands Gazette* of July 7, calls upon importers and wholesalers to furnish the War Emergency Officer returns respecting stocks of certain foodstuffs in their possession or under their control at the end of each month. The goods comprise bread, butter, cheese, tea, coffee, salt, fish, corned beef, pickled beef and pork, condensed milk, edible oil, lard substitutes, flour, rice, peas, beans, cornmeal, oil meal, and scratch grain. The return is to be made within the first seven days after the close of each month.

The *Antigua Gazette* of July 8, 1943, contained a warning to importers not to accept offers from sources outside the Colony to supply goods without first obtaining an import licence from the War Emergency Office. It had come to the notice of the Government that goods were arriving without licence, and the Competent Authority states that prosecutions will be instituted in such cases.

## EXCHANGE CONDITIONS IN BRAZIL

L. S. GLASS, CANADIAN COMMERCIAL ATTACHÉ

Rio de Janeiro, July 23, 1943.—The exchange situation in Brazil continues to be very satisfactory and prospects for the future may be termed bright.

The 1942 out-turn of international trade gave Brazil one of, if not, the greatest favourable trade balance in the history of the country, which follows a smaller, but still satisfactory, favourable balance from 1941. All indications up to the present are that this favourable balance will continue.

Foreign exchange for all regular business transactions is supplied without delay. However, in view of conditions existing abroad, exporters continue to demand letter of credit or cash against documents and, except in very unusual cases, these terms are to be recommended.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING AUGUST 9, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, August 9, 1943, and for the week ending Monday, August 2, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Aug. 2	Nominal Quotations in Montreal Week ending Aug. 9	Official Bank Rate
Great Britain. . . . . Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. . . . . Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico . . . . . Peso	.4985	.2284	.2284	4
Jamaica . . . . . Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. . . . . Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2786	.2785	—
Brazil. . . . . Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana . . . . . Dollar	1.0138	.9313	.9313	—
Chile . . . . . Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. . . . . Peso	.9733	.6358	.6358	4
Venezuela . . . . . Bolivar	.1930	.3330	.3330	—
Uruguay. . . . . Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5870	.5866	—
South Africa. . . . . Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India. . . . . Rupee	.3650	.3359	.3359	3
Australia . . . . . Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. . . . . Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

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*Bristol:* JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands). *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

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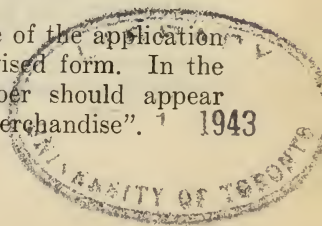
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## IMPORT RECOMMENDATION NUMBERS FOR EXPORTS TO LATIN AMERICA

Under the Decentralization Plan described in *Commercial Intelligence Journal* No. 2051 (May 22, 1943), the Canadian exporter will receive a copy of the import recommendation issued to his importer in the Latin American country. Effective August 1, this copy must accompany the application for an export permit, except in the case of Colombia, Cuba and Mexico, for which countries this procedure does not become effective until September 1, and in the case of Cuba and Mexico will apply, as announced in *Commercial Intelligence Journal* No. 2061 (July 31, 1943), to only a limited range of commodities.

Each import recommendation bears a number, and exporters should quote this number and the name of the country concerned on their applications for export permits and also on their applications for shipping space; for example: "Brazil—1001".

For export permits the number should appear on the face of the application or in the space reserved for this purpose on the recently revised form. In the case of shipping-space applications (Form E1), the number should appear in the space directly below question 12—"Description of Merchandise". 1943





## SEED POTATO SITUATION IN URUGUAY

W. B. McCULLOUGH, ASSISTANT COMMERCIAL ATTACHÉ

Buenos Aires, June 30, 1943.—From September, 1942, to March of this year Uruguay experienced one of the most severe and prolonged droughts in the past fifty years. During this six-month period the total rainfall recorded was only 20 to 30 mm. as compared with a normal rainfall of 400 to 500 mm. over the same period. The dry spell was broken in the first week of March, and generally heavy rains followed during that month. During April, however, the rainfall was light, and it was not until May that moisture conditions adequately improved. The effects of the drought were comparatively more severe in Uruguay than in Argentina, and while the recovery of the pastures in Uruguay was rapid, it was not so noteworthy as in Argentina.

### 1942-43 POTATO CROP

Two potato crops are planted each year in Uruguay. The first is planted in August and September, which is referred to as the "winter planting". The second crop is planted during January and February, depending on moisture conditions, and is referred to as the "summer planting".

#### FIRST CROP

The area planted to the 1942-43 first crop was estimated at 22,939 acres, an increase of 46.7 per cent over the area sown in 1941-42. The main reasons for the increase in acreage were the uncertainty of obtaining imported seed for the second crop and the generally good prices for table stocks during 1942. Prices of Argentine certified seed as well as table stock were low; therefore Uruguayan farmers took advantage of these low prices to obtain Argentine certified seed to ensure having a good supply of domestic seed for the January planting in case they were unable to import seed from abroad. For this planting Uruguay purchased 314,856 bushels of Argentine certified seed as compared with 202,458 bushels for the 1941-42 first crop. Due to the drought, which began in September shortly after planting, the yield was considerably reduced. Therefore, from a 46.7 per cent increase in acreage Uruguay had only a 9.5 per cent increase in production, which was estimated at 1,055,797 bushels.

#### SECOND CROP

Depending on soil moisture conditions, the second crop, or "summer planting", is sown during January and February, which is midsummer in Uruguay. The temperature is high, and rains are usually less frequent during this period. Consequently uncut seed is afforded more protection when planted in the hot, dry soil. Furthermore, if the planting date is delayed until February, the seed has sprouted excessively, with the additional risk in cutting the tubers. This season, due to the prolonged drought, this crop was not planted until March. All the seed had sprouted excessively, and some growers planted whole tubers regardless of size.

The area planted to the second crop was estimated at 8,939 acres as compared with the 1941-42 area of 5,856 acres. The increase in acreage probably would have been greater except for the delayed planting date and the fact that the domestic seed had sprouted excessively during January and February.

About 65 per cent of the acreage of this crop was planted with seed imported from Canada. The remainder was planted with domestic seed, which was second-generation from Balcarce zone in Argentina and second-generation domestic seed originally imported for the summer crop in 1942.



The growing conditions were favourable, even though the crop was planted from four to six weeks late. Moisture conditions could have been more favourable during April; however, this was offset by the absence of early frosts during May. Due to the high price of table potatoes, growers began harvesting about the middle of May. The yield was slightly above average.

Potatoes from this harvest will be used for planting the next crop, in August and September. It will be noted that there is only about two months rest period from harvest to planting, which is one of the reasons why the Katahdin variety is preferred in Uruguay.

## POTATO VARIETIES IN DEMAND

### KATAHDIN

In recent years practically all the commercial acreage of potatoes in Uruguay has been planted to the Katahdin, which has given comparatively good results from both the summer and winter plantings. The resistance of this variety to certain virus diseases, its adaptability to Uruguayan conditions, and the pleasing market appearance of the tubers have all tended to make the Katahdin the popular variety in Uruguay. A variety having a short dormant period is preferred, since it enables growers to utilize the seed from the April-May harvest for planting in August-September. The Katahdin has this quality and gives good results for two generations, although favourable results from the third-generation planting are not uncommon.

### SEQUOIA

The Official Seed Service obtained a trial lot of 30 crates of the Sequoia from Maine, U.S.A., for the January planting in 1942 and about 50 crates last fall for the corresponding crop in 1943. Experimental plantings were in alternate five-row plots, using the Katahdin as a basis for comparing results. The experiments were conducted on farms selected in the chief potato zone, a plot being usually reserved in a field planted to potatoes for conducting the test. In this way the varieties under test were subject to the same growing conditions as the main crop.

In both seasons the germination of the Sequoia was good; the plants grew well and were in a generally healthy condition. The yield from several plots was from 20 to 30 per cent higher than from the Katahdin, and in two plots the percentage was even greater. Examination showed that, while moisture conditions were abnormal during the past two seasons, the Sequoia out-yielded the Katahdin for the first generation. Due to the abnormal conditions in 1942, the seed was not carried over for the following crop; however, this year the Uruguayan department plans to carry on experiments with the first-generation seed.

The Sequoia appeared to be about twenty or twenty-five days slower in maturing than the Katahdin, and the dormant period is longer. Both of these characteristics are unfavourable for Uruguayan conditions. However, the preliminary tests with the imported seed were very favourable and, while considerable interest is being shown in this variety, future possibilities will largely depend on good yields in successive generations.

### PONTIAC

The Official Seed Service obtained from the State of Maine a trial shipment of 20 crates of Pontiac in 1942 and about 50 crates in 1943. This variety grew well in the field, and in both years the yield was about the same as for the Katahdin but not as good as for the Sequoia. The percentage of virus diseases was slightly higher for the Pontiac than for either the Katahdin or the Sequoia.

The colour of the skin is not an important factor in the Uruguayan market. Since the Pontiac is an early maturing variety and the yields from imported seed in the past two seasons have compared very favourably with those from other varieties, the Pontiac may possibly be a suitable potato for the early market in November. The Uruguayan department will carry on further tests with this variety.

#### ARRON-CONSUL

A trial shipment of 20 crates of Arron-Consul was included with the imports of seed from Canada last December. These tubers were in a better condition at planting, in March, than any of the other varieties. However, the Arron-Consul did not do well, there was a comparatively higher percentage of misses, and the plants were not vigorous. Early blight was present in this variety, as well as in all the other fields. It was noted that there was a good set, but the tubers did not size. In the tests this season this variety will not yield more than 60 per cent of those from the adjacent plots of first- and second-generation Katahdin and Pontiac.

#### SEBAGO, MESABA AND HUMA

Tests with the Sebago (150 crates), Mesaba (20 crates) and Huma (30 crates) were conducted by the Official Seed Service in January-May of 1942. These varieties were inferior in one way or another in stand, vigour, virus diseases, and yield to the Katahdin, and further trials were not carried out. The Mesaba made a poor showing in the field test last year.

#### UP-TO-DATE

Before the war this variety was imported from Denmark and gave fairly satisfactory results in Uruguay. It is a comparatively late variety and was used largely for the summer planting in January. Denmark supplied any quantity of the small-size grade and at low prices. Although the plants were vigorous and yielded well, this variety did not give as good results as the Katahdin for more than one generation. When the landed costs are relatively low, the Up-to-date, particularly when supplied in the small-size grade, is very useful to Uruguay for the January planting.

#### INSECT PESTS AND DISEASES

In Argentina and Uruguay it is not the practice to spray potatoes with either a fungicide or an insecticide. The Colorado potato beetle has not been reported in either country, and late blight is rarely serious. In the past fifteen years late blight caused material damage in Argentina in only two seasons, but it was general in Uruguay this season. The extent of infection could be described as slight to moderate and all varieties were affected.

#### MARKET PRICES OF TABLE POTATOES

On May 7 the market price of table potatoes in Montevideo was fixed by government decree at 12 pesos per 100 kilos (about U.S.\$2.88 per 100 pounds) as compared with the free price of 7.50 to 8 pesos on the corresponding date last year and the fifteen-year average of 5.33 pesos.

The summer crop is now being harvested. The grower is receiving 10 pesos per 100 kilos (about U.S.\$3.95 per 165 pounds). The dealer supplies the sacks and pays the transportation charges. The retail price is fixed at 13 pesos per 100 kilos. These prices to the grower are the highest ever officially established in Uruguay. Possibly for short periods the growers received the equivalent of these prices for new potatoes in October or early November. During March



and April of this year, before the ceiling prices were established, the market price of table stock was between 14 and 15 pesos per 100 kilos. The average market price was 7.64 pesos in 1941 and 7.56 pesos in 1940.

### IMPORTS

Due mainly to climatic conditions, Uruguay does not produce sufficient quantities of either table or seed potatoes for its own requirements. There is no area in Uruguay suitable for the production of certified seed, and consequently this country depends on outside sources each year for its foundation stock requirements. Domestic production of table potatoes is supplemented by imports which in some years amounted to over 50 per cent of the total quantity consumed. The increasing importance of Argentina in the trade for both table and seed potatoes is indicated in the following tables showing imports of table and seed potatoes in the calendar years 1936 to 1942:—

#### *Uruguayan Imports of Potatoes*

	1936	1937	1938	1939	1940	1941	1942
	Figures in Bushels						
Canada*	1,767	34,319	32,166	22,540	28,084	147,658	123,101
United States	5,283	51,943	25,123	5,272	2,928	.....	.....
Argentina	36,758	59,133	244,523	111,715	930,970	1,391,405	1,071,037
Brazil	1,099	17,859	2,789	.....	.....	.....	.....
Chile	202	44,984	155,811	42,284	.....	.....	.....
Africa	.....	18,161	.....	.....	.....	.....	.....
Belgium	58,281	36,317	.....	.....	.....	.....	.....
Czechoslovakia	.....	.....	107	.....	.....	.....	.....
Denmark	15,545	44,819	53,449	89,117	50,113	.....	.....
Estonia	.....	4,001	6,172	.....	.....	.....	.....
France	720	4,372	.....	.....	.....	.....	.....
Germany	15,644	19,784	38,614	22,496	.....	.....	.....
Holland	229,474	352,590	56,304	306,930	15,548	.....	.....
Hungary	181,852	8,156	66	.....	.....	.....	.....
Italy	.....	2,002	.....	.....	.....	.....	.....
New Zealand	51,355	.....	.....	.....	.....	.....	.....
Poland	.....	7,848	21,651	.....	.....	.....	.....
Portugal	.....	292,641	.....	4,188	.....	.....	.....
Rumania	2,197	.....	.....	.....	.....	.....	.....
Spain	621	.....	.....	.....	.....	.....	.....
Sweden	.....	.....	.....	231	.....	.....	.....
United Kingdom	21,181	230,639	18,818	6,837	.....	.....	.....
Total	623,981	1,227,566	655,593	611,610	1,027,643	†1,539,063	†1,194,138

\* Figures do not necessarily correspond to crop year export figures from Canada; arrivals in Montevideo may be in December or January.

† Provisional figures.

#### *Uruguayan Imports of Potatoes from Argentina by Months*

	1942		1941		1940		1939	
	Table	Seed	Table	Seed	Table	Seed	Table	Seed
	Figures in Bushels							
January	.....	.....	.....	4,041	.....	101	.....	.....
February	.....	.....	.....	.....	.....	.....	.....	.....
March	.....	.....	44	.....	.....	.....	.....	.....
April	.....	.....	.....	.....	.....	.....	.....	.....
May	.....	.....	44	.....	.....	.....	.....	.....
June	.....	33,384	232,940	4,188	.....	.....	.....	.....
July	.....	172,222	640,779	132,111	.....	124,048	.....	88,511
August	207,537	82,785	243,575	62,118	340,375	56,598	.....	20,649
September	292,282	16,983	.....	.....	133,865	11,022	44	3,307
October	250,526	9,482	61,573	.....	126,118	.....	.....	.....
November	.....	.....	9,992	.....	120,499	.....	.....	7
December	.....	.....	.....	.....	390	2,131	.....	112,474
Total	750,345	314,856	1,188,947	202,458	721,247	193,900	44	224,948

### GENERAL CONDITIONS

Uruguay has been short of table potatoes since the first crop was exhausted last February. This situation will continue until the next crop comes on the



market in November. In all probability there will be practically no potatoes for table use, unless they are imported, during August and September. Normally Uruguay imports table stock from July or August to November, the quantity depending on local production from the January planting.

From the two crops in 1942-43 Uruguay will have an estimated 1,530,000 bushels of potatoes as compared with 1,260,000 bushels in 1941-42. The quantity of potatoes consumed annually during the past five years has averaged a little over 2,000,000 bushels, nearly half of which, including seed requirements, was imported. During the calendar year 1942 Uruguay imported 750,346 bushels of table potatoes, and in 1941 the imports of this type totalled 1,188,947 bushels. While the domestic production for the current crop year will be slightly higher than in recent years, it will meet less than 75 per cent of normal requirements.

Before the war table stock was imported from Europe, mainly from Holland and Denmark. During the past three years Argentina has been in a position to supply adequate quantities of table potatoes at a time of year when prices were usually low in that country. Also the relatively low transportation costs by boat from Mar del Plata to Montevideo have facilitated this trade.

A somewhat similar position obtains in the case of Argentine certified seed potatoes. Since Argentina established a certification service and has produced certified seed on a commercial scale, Uruguay has been by far the most important market. Uruguay purchases largely first-generation seed from the Balcarce-Mar del Plata zone, although, as was the case last year, when the supply of first-generation seed was limited and the price was 3.50 pesos (Argentine) above that for the second-generation stock, 20 per cent of the imports were made up of the latter type.

Due to the short crop in Argentina, the Government issued a decree on May 22 prohibiting the export of all table potatoes. Certified seed potatoes and potato by-products may be exported only by permit. Uruguay will be unable to obtain supplies of table potatoes in Argentina this year. However, it is understood that it will secure about 75 per cent of its certified seed requirements for the next planting in August-September.

The market for table potatoes in Montevideo must continue strong. With the growers receiving high prices, they will be inclined to sell the large size for table use rather than retain a portion for increasing the acreage of the next crop. Further, the supplies of certified seed from Argentina will be limited. Only second-generation seed or later is available in Argentina this season, which will be third-generation for replanting in Uruguay in January, 1944.

#### DEMAND FOR CANADIAN SEED IN 1943

Last season an officer of the Official Seed Distribution Service went to the United States and Canada to arrange with the respective authorities for shipping space for certified seed potatoes. Arrangements were finally made with the Maritime Shipping Commission and the Special Products Board whereby Canada supplied 53,542 crates of certified seed. This compared with 66,764 crates in 1941 and 58,000 crates in 1940. The landed cost was 10.88 pesos (about U.S.\$5.50) per crate. However, the stock was resold to the growers at 7.50 pesos per crate. The Uruguayan Government absorbed the difference, which amounted to 181,168.50 pesos.

With the exception of some trial shipments of the new varieties, New Brunswick supplied all the imported seed for the second crop during the past three years. This fall Uruguay will require about 80,000 crates of imported certified seed for the January planting. The demand will be for the Katahdin variety, with as high a percentage of the small-size grade as will be available.

## UNITED STATES PRICE REGULATIONS AFFECTING CANADIAN LUMBER

D. S. COLE, SENIOR CANADIAN TRADE COMMISSIONER IN THE UNITED STATES

New York, July 31, 1943.—In order to aid broader distribution of Canadian hardwood lumber in the United States, the Office of Price Administration has issued Amendment No. 2 to Maximum Price Regulation No. 368 (Northeastern Hardwood Lumber), effective August 4, 1943, which places sales of Canadian lumber on a straight f.o.b. mill basis.

Sellers in direct mill shipment transactions henceforth may charge f.o.b. mill prices plus actual transportation charges from point of shipment to destination. Previously freight to destination was computed on one of three basing points in Canada: Campbellton, N.B.; Mont Laurier, Que.; and North Bay, Ont.; whichever was applicable.

The amendment also establishes the maximum f.o.b. mill prices for Canadian hardwood lumber as the domestic maximum f.o.b. mill price, less \$3.50 per 1,000 board feet. However, the amendment permits the addition to the maximum price of the import tax of \$1.50 per 1,000 board feet, which previously had to be absorbed by the seller. The new basis of the domestic mill price, less \$3.50 instead of \$2, therefore, brings no change in the price structure.

In addition the amendment makes a change in one of the general provisions of the regulation. It provides a method of calculating proportionate additions which may be made to basic ceilings for one-inch thick stock in computing prices for round-edge hardwood lumber of unusual thickness, such as 2¼ inches and 2½ inches.

## MARKET CONDITIONS FOR FRESH BLUEBERRIES IN THE EASTERN UNITED STATES

W. D. WALLACE, OFFICE OF THE CANADIAN TRADE COMMISSIONER

New York, August 9, 1943.—Reports from the New York and Boston markets indicate that the fresh blueberry crops were large this year but, due to the shortage of labour, the harvest was not so great. Supplies entering these markets have been moderate and steady and of good quality. There has been a strong demand accompanied by exceptionally good prices.

To date no receipts of blueberries from Canada have been recorded for either the New York or Boston markets. However, the trade is of the opinion that the demand will continue and that prices will remain at about the same level for Canadian shipments.

### NEW YORK MARKET

Fresh blueberries entering the New York market have been of good quality and the supply has been moderate. The trade reports there has been a strong demand, and wholesalers have had no difficulty in disposing of their supplies at the highest prices that have prevailed in recent years.

The range of prices per quart in the New York market for the week ending August 7 was as follows: Pennsylvania berries, 37 to 40 cents; Massachusetts, 45 to 50 cents; Maine, 43 to 48 cents with some as low as 35 cents; and New York, 30 to 40 cents. Cultivated blueberries from New Jersey have been selling steadily at 20 to 32 cents per pint.

### BOSTON MARKET

According to the United States Agricultural Marketing Service reports for Boston, the supplies of fresh blueberries have been moderate and of good quality. The market has been steady, and there has been a good demand.



Prices per quart in the Boston market for the week ending August 7 were as follows: Maine, 45 to 50 cents for the best quality and from 35 to 40 cents for fair quality; New Hampshire, 30 to 35 cents per quart, with some selling as low as 25 cents. Cultivated blueberries from New Jersey have been selling at 24 to 30 cents per pint, and Michigan cultivated blueberries at 25 to 30 cents per pint.

#### IMPORT DUTY

Under the Canada-United States Trade Agreement, effective January 1, 1939, the duty on fresh blueberries imported from Canada is one cent per pound.

### BRISTOL OFFICE TO BE CLOSED

Effective August 31, the office of the Canadian Trade Commissioner at Bristol, England, will be closed. The territory covered by the Bristol office has been allocated to the London and Liverpool offices; as from September 1, the London office will look after trade inquiries pertaining to the South of England and East Anglia, while the Liverpool office will deal with inquiries respecting the Midlands, North of England and Wales.

### NORTHERN IRELAND LEATHER INDUSTRY

E. L. McCOLL, CANADIAN TRADE COMMISSIONER

Belfast, July 30, 1943.—During the past few years the industrial development of Northern Ireland has been greatly stimulated by the arrival of a number of Continental refugees, many of whom had been prominent in industrial circles in their native lands. The establishment of a new tannery is an example of how some of these talented workers are creating employment and increasing production in their adopted country.

United Chrome Tanners, Ltd., encouraged by the Northern Ireland Government's policy of industrial development, found premises in the neighbourhood of Belfast that could be adapted to their purpose. This factory is now providing employment for approximately two hundred and eighty persons, and turning out fine leather such as glacé kid and suedes suitable for shoe-uppers, clothing for the armed forces, and handbags.

#### SOURCES OF RAW MATERIALS

Skins are imported from South Africa and the United Kingdom to augment domestic supplies, but the local varieties are also used to an important extent. Their characteristics vary according to their origins, and their treatment has to be adjusted on this basis.

The various chemicals and colours used in processing are obtained locally and are also imported, the latter coming principally from Great Britain.

#### MANUFACTURING PROCESSES

On arrival at the factory both sheep and goat skins are first steeped in water for periods varying from a few hours to several days according to type. Breaking, fleshing, and splitting machines are used where necessary, the first to soften the skins, the second to remove any flesh that may still adhere, and the third to split the thick skins. When they have passed through the lime pits and are free from hair, they are ready for bating, which is a process to remove all dirt and lime. Skins obtained locally are brought to the factory unshorn. Special care is exercised to prevent damage to the wool by the chemical that is used to loosen it from the skin.



### TANNING, SHAVING AND GRADING

After bating comes the actual process of tanning, which is effected by the use of chrome salts and also partly with vegetable tanning materials. The skins then go to the shaving room, where they are passed through a sharp-bladed roller to smooth out any irregularity in thickness. Before being sent to the dye-house, they go to the sorting room, where they are graded according to their suitability for making various types and colours of leather. In the dye-house the skins are washed, neutralized, and then colour processed. They are then set out and dried in various temperatures and by different methods, again according to the type of finished leather to be produced.

The next operation is "staking", which is done on a special machine. Before this takes place, however, the skins are placed for a short time in wet sawdust to dampen them slightly. After staking the leather is buffed—put through a machine that gives it a velvety surface. It is then brushed.

To give grain leather brilliance and evenness of colour it may be sprayed either with cellulose or water colours. Glazing machines impart brilliance, and a perfect resemblance to a good natural grain is achieved by embossing. The finished leather is then measured (on a special apparatus that records its exact size), assorted, and sent to the warehouse.

### LABORATORY WORK

The operation of the leather factory involves considerable laboratory work, which is done on the firm's own premises. Water is constantly tested for hardness and the presence of iron and other injurious impurities. Colour samples, when received, are sent first to the laboratory, where experiments are made to obtain the best results: when a formula has been worked out, it is issued to the foreman of the dye-house.

The factory has its own engineering and carpenter shops. Tanning drums, wooden racks and frames and other equipment for the drying room are all made on the premises, as are the concrete blocks for the steeping pits.

### BY-PRODUCTS

As already mentioned, the wool is removed from the sheepskins in the fellmongering department. On some skins there are several different categories of wool: belly, back, Scotch grey, strong weather, etc. Where the live animal's fleece has been treated with chemical dips such as tar, the wool has to be kept separate, as it can be used for khaki spinning only. It is sorted, washed, dried, and packed for despatch to the spinners.

A considerable amount of refuse results from the skins' passing through the shaving machine. This is collected in barrels and despatched to England, where it is processed into fertilizer, pigments, etc.

Waste from the lime pits (the mixture of lime, chemicals, and pieces of flesh from the skins) is collected and sold to farmers for use as fertilizer.

### FINISHED PRODUCTS

The finished products include the following: heavy clothing leather for civilian and military use; camouflage leather for army purposes; sheepskin for belts, slippers, and shoe linings; furniture leather for chair-covering, etc.; goat-skins for military clothing; embossed leather for the handbag trade; a wide range of suede leathers for handbags, ladies' shoes, and brogues and men's heavy sports shoes; side leather for men's heavy shoes and army boots; vellums for drums.

A handbag factory has also been established that turns out ladies' belts, leather waistcoats, and handbags in a wide variety of styles, types, and colours; men's leather jackets; and heavy work gloves. Government orders have also been received for haversacks, bags, and belts.

This new industry fits into the framework of Northern Ireland's expanding economy. The management, which includes several industrial chemists, has a background of successful world-wide trade. Their fine leathers were used in the best shoe and leather-goods factories throughout Europe.

## PRICE CONTROL IN NEWFOUNDLAND

R. P. BOWER, ACTING TRADE COMMISSIONER

St. John's, August 2, 1943.—Additional measures to control prices in Newfoundland were announced by the Deputy Food Controller on July 31 as follows:—

### SALT BEEF

A new Order deals with the ceiling prices for salt beef. Originally the maximum retail price for salted beef in barrels was fixed at 35 cents per pound. This price was established on the basis of wholesale prices ranging from \$40 to \$56 per barrel. Subsequently a better quality of barrelled beef became available at prices which precluded the possibility of retail sale at the 35-cent level. The Deputy Food Controller therefore found it necessary to establish a price at which all beef imported in barrels must be sold by importers. The Order provides that when the import price approved by the Food Controller exceeds \$60 a barrel, the retail price of the beef shall not be more than 40 cents per pound, and when the approved import price does not exceed \$60, the maximum retail price is 35 cents a pound. The importer must furnish the buyer with an invoice setting out the price fixed by the Food Controller.

### NEW POTATOES

A previous Order established a price for potatoes of 32 cents per reputed gallon, or 5½ cents per pound. In this Order there was no reference to a wholesale ceiling price, nor did it cover new potatoes. The result was that Newfoundland potato-producers refused to market new potatoes, preferring to wait until their product was larger in size, thereby increasing their gross return. To correct this position and to bring new potatoes into the market, the new Order provides as follows:—

- (a) "New potatoes" means potatoes grown or produced since May 1, 1943.
- (b) "Old potatoes" means potatoes other than new potatoes defined herein.
- (c) "Wholesale" means a sale or transfer for the purpose of resale in the case of old potatoes of one or more barrels, or in the case of new potatoes of lots of not less than seventy-five pounds, including the weight of the immediate container.

The maximum wholesale price of old potatoes shall not exceed \$8 per barrel of 180 pounds. The maximum retail price of old potatoes when sold by the reputed gallon shall not exceed 32 cents per reputed gallon; when sold otherwise than by the reputed gallon, it shall not exceed 5½ cents per pound.

The maximum wholesale price of new potatoes shall not exceed 6 cents per pound, while the maximum retail price of new potatoes shall not exceed 7½ cents per pound.

## INDUSTRIAL DEVELOPMENT IN SOUTHERN RHODESIA

H. L. BROWN, CANADIAN TRADE COMMISSIONER

Johannesburg, June 30, 1943.—The economic effects of the war have brought about some additional developments in the manufacture of producer as well as consumer goods in Southern Rhodesia. On October 1, 1942, the Government of Southern Rhodesia created a Production Division of the Department of Supply. The establishment of permanent new industries is a function of the Industrial Development Advisory Committee, and the two organizations maintain close liaison. The value of plant and equipment ordered through the Production Division for the extension of industry totalled about £45,000 by the end of March, 1943.

### NATURAL RESOURCES

Because one of the basic sources of income in Southern Rhodesia is agriculture, it is to be expected that agricultural products will provide the raw material for some industries. The principal farm products are corn, tobacco, and citrus fruits, with cotton and wheat of minor importance, but the dairying and ranching industries are also important, and the possibilities of forestry have been realized in recent years.

Gold first attracted the attention of Europeans to Southern Rhodesia, and its production is still the greatest factor in the Colony's prosperity. However, other important minerals are produced, of which the most outstanding are asbestos, coal, chrome ore, and copper ore, with fair amounts of silver, mica, tungsten and tin and small quantities of a variety of other minerals.

### EXTENT OF DEVELOPMENT

Little progress was made in the establishment of secondary industries in Southern Rhodesia until the war of 1914-18, although from the early days of the Colony a number of corn-milling plants and engineering firms have carried on, and some of these have developed into important industries. The erection of the first flour mill, followed by the establishment of soap and tobacco factories, resulted from the import difficulties experienced during the first World War. By 1940 some seventy articles were grown and manufactured in Southern Rhodesia, ranging from structural steel to polishes and blacking and from suitcases to fruit drinks and insecticides.

Preliminary figures of the Census of Industries, 1938 to 1940, have been published. In 1940 there were in operation 375 industrial plants of all types and sizes, some with less than six employees. About 30 per cent of these factories employed over 50 persons, while about 7 per cent employed more than 200. Native labour accounts for about seven-eighths of the workers in secondary industries.

### PRINCIPAL MANUFACTURES

Some indication of the extent of industrial development in Southern Rhodesia is provided by the export figures for manufactured articles; these are shipped mainly to Northern Rhodesia, but South Africa is also an important purchaser. Peacetime exports of manufactured goods include agricultural products such as preserved meats, cigarettes and other tobacco, beer, wheat flour and meals, and corn meal and sugar; non-agricultural products include railway ties, cement, coke and patent fuel, clothing, printed matter, soap, and a small range of iron and steel products. The export values of these items range from \$50,000 to \$400,000 a year.

An important undertaking, dependent on agriculture, is the Cold Storage Commission, which was established in 1937 and took over the assets of the Rhodesian Export and Cold Storage Company. It processes and exports chilled



and frozen meats, bacon and ham and other meat products, of which it is, in fact, the only authorized exporter. It has successfully stabilized the price of cattle and is credited with having assisted in placing the cattle business on a sound footing.

The Colony's agricultural and live-stock industries have been assisted by the establishment of explosives and fertilizer factories at the two main centres, which manufacture mining explosives, tobacco fertilizers, cattle dips and other products of interest to agriculture. Incidentally these factories use the offal from the plant of the Cold Storage Commission.

Among the more important undertakings is the Rhodesia Iron and Steel Works Corporation, which now produces high-class electric steel in quantity as well as steel castings up to five tons in weight and, in fact, supplies a large proportion of the Colony's requirements for castings. This industry was taken over last year by the Government.

Southern Rhodesia is among the world's largest producers of asbestos, and the recent establishment of an asbestos products factory at Gwelo may be regarded as an indication that the war has stimulated the development of this industry. The collieries of Southern Rhodesia are important producers of coal and export their products to the neighbouring countries of Northern Rhodesia, the Belgian Congo, Mozambique, Nyasaland, and the Bechuanaland Protectorate on the South African side. There is a large coking plant with a capacity of 12,000 tons a month, and the colliery company also operates a brick and tile works, producing several kinds of refractory bricks and tiles, crucibles and various other clay products.

Government assistance has been provided for the production of boots and shoes, and this has included assistance to the tanning industry. The cotton-spinning plant at Gatooma is now in operation, one of its products being absorbent cotton wool, which has enabled the manufacture of sanitary towels. Spinning, twisting and plaiting machines have been built for the manufacture of sisal and sun-hemp rope and twine. Decorticating machines are being built for handling agricultural products. A modest range of machinery spares, sanitary flushing systems, builders' hardware, and engineering products generally are produced, including re-chargeable torch cells.

## CHILE AND THE WAR

*From the British Export Gazette*

The outstanding recent events in the field of both domestic and international politics in Chile have undoubtedly been the breaking off of diplomatic relations with the Axis Powers and the visit to the Republic of the Vice-President of the United States. It was obvious that Chile could not maintain relations with those Powers which they considered to be the enemies of democratic ideals, whilst the Government was also influenced by the economic situation, Chile being so very dependent to-day upon the United States as an outlet for its exports and as the only considerable source of certain goods which are vital to Chile's economic welfare.

The visit of the Vice-President of the U.S.A. was regarded as a tribute to Chile's importance in South America. At the same time, it is realized that, due to prior war claims upon North American shipping and manufactures, it might be difficult for the U.S.A. to increase shipments of raw materials such as, for example, steel and steel derivatives, and to-day, Chile—like all South American countries—requires goods from the U.S.A. and not cash assistance.

The physical volume of Chile's trade in 1942 declined by 1,334,800 tons on the 1941 figure of 5,417,500 tons but, due to higher prices, the total value of the turnover increased by 191,000,000 pesos (of 6d. gold). Actually, the aggregate value of imports into Chile during 1942 increased by about 19 per cent to 621,600,000 pesos (of 6d. gold) from 524,800,000 pesos in 1941, whilst that of

exports were some 12 per cent higher at 862,900,000 pesos against 767,900,000 pesos. The recorded favourable balance of trade in 1942, therefore, was about the same as in 1941, at around 240,000,000 pesos (of 6d. gold), but this does not indicate Chile's effective balance of trade because the whole of the proceeds of copper and nitrate of soda—the two main exports—do not become available to pay for imports.

Analysing Chile's exports in 1942, the values of the principal products were as follows, the corresponding figures for 1941 being added in parentheses: mining products (including metallic and non-metallic minerals, coal, nitrate and iodine), 723,788,400 pesos of 6d. gold (642,224,300); cereals, vegetables and fruit, 29,218,500 pesos (34,301,100); hemp fibre, 23,147,000 pesos (11,530,000); wool, 22,120,000 pesos (29,774,000); chemical and other manufactured products, 9,948,000 pesos (9,834,000); meat, 6,223,000 pesos (4,166,000); sheepskins, 6,144,000 pesos (5,057,000). Chile continues to export the whole of her copper and nitrate production, and a favourable factor is that, with the U.S.A. buying all Chile's minerals, the U.S. Metals Reserve Company recently renewed its existing copper purchasing agreement until 31st July, 1944, and agreed to increase the price paid for copper ores by 10 per cent, and by 5 per cent for refined copper. Moreover, Chile has disposed this year, at favourable prices, of the whole of her wool clip and the excess of frozen meat over national requirements.

On the import side, the values of the leading items in 1942, with the comparative figures for 1941 given in parentheses, were as follows: textiles, 96,642,500 pesos of 6d. gold (80,516,200); industrial oils, paints, and chemical products, 96,304,700 pesos (75,805,000); metallic and non-metallic minerals, coal, coke, crude petroleum and Diesel oil, 67,055,300 pesos (51,589,000); machinery, tools, electrical equipment, etc., 61,287,100 pesos (70,398,100); iron, steel and other metals, 54,846,100 pesos (58,122,200); sugar and derivatives, 47,120,500 pesos (18,278,900); transport material, 35,430,700 pesos (48,793,700); tea, coffee, cocoa and yerba matte, 25,695,000 pesos (15,663,000); live stock, 17,228,800 pesos (12,686,600); scientific instruments, etc., 14,713,100 pesos (17,207,100); raw cotton, 13,384,000 pesos (7,139,000).

As a result of the war and the curtailment of European markets, Chile has developed her commerce with other Latin-American Republics. Although the U.S.A. still occupies the predominant position in Chile's trade on both import and export account, the increasingly important parts played by Argentina, Brazil and Peru are shown in the following figures of the main geographical distribution of Chile's foreign trade during 1942, the comparative figures for 1941 being added in parentheses: Imports from the U.S.A., 282,600,000 pesos of 6d. gold (298,200,000); Peru, 122,600,000 pesos (47,600,000); Argentina, 74,200,000 pesos (38,700,000); Brazil, 59,800,000 pesos (17,100,000); United Kingdom 32,400,000 pesos (47,700,000): Exports to the U.S.A., 602,400,000 pesos of 6d. gold (500,800,000); Argentina, 51,900,000 pesos (33,800,000); Brazil, 33,400,000 pesos (15,900,000); United Kingdom, 20,800,000 pesos (32,700,000); Peru, 6,600,000 pesos (9,400,000). During 1942 the main imports from the U.S.A. were mineral oils and chemicals, machinery, tinplate, cotton cloth, cotton and silk yarns, etc.; from Great Britain and the sterling area, woollen and cotton cloths, cotton thread, jute bags and tea. The principal exports to the U.S.A. in 1942 were copper bars, minerals, nitrate, wool and skins; and to Great Britain, frozen meat.

There are many schemes afoot for developing Chile's natural resources (hydro-electricity, etc.) as well as the manufacturing industries, and negotiations have been proceeding satisfactorily with the U.S. authorities for the import of machinery for various industries such as steel, electricity, copper, cement and iron. The war, however, has naturally created obstacles which will hinder the rapid realization of the Government's plan. There is, moreover, increasing Government intervention in many branches of commercial activity, and ordinary exporters are complaining of the disadvantageous situation in which they claim



to be compared with the privileged position of official or semi-official organizations. At the same time, there is a plentiful supply of foreign exchange to pay for imports, the two main categories being "export" exchange quoted at present at 101·35 pesos per £ sterling and "whitewashed" exchange quoted at 125·70 pesos per £. The over-supply of sterling exchange is at present being satisfactorily absorbed because of arrivals and pending arrivals of goods from the sterling area.

Unsatisfactory features in the Chilean position mainly relate to internal factors. Transport is defective and, indeed, appears to be reaching a lamentable state, whereas, if properly handled, it should be ample for internal needs. The chief explanation of transport difficulties is possibly that coal is not being produced as it should be, and there is much absenteeism. Present production is certainly insufficient to meet the requirements of transport and national industries, and the Government has just drawn up a preferential plan to augment coal output. In addition, a Bill is under consideration for the nationalization of passenger transport services as well as of the electrical power industry. The chief internal problem, however, is currency inflation. Although national industries have continued active, and profits have been good, the fact remains that internal production on the whole is static and even tends to decrease, whereas the note circulation has soared rapidly, the latter being claimed by the Central Bank to be due partly to its having been called upon by the Government to undertake credit operations which are not proper to its functions. Because the creation of currency far outstrips the creation of wealth by production, internal prices have risen in greater proportion than in any other American country. Wholesale prices in 1942 increased by 36 per cent over 1941, in which year they were up by 16·6 per cent on 1940. The cost-of-living index in 1942 rose by 25·6 per cent following upon one of 15·2 per cent in 1941.

The present Government under President Ríos has been in power only a relatively short time, and is giving paramount attention to pressing war-time economic problems. In a recent speech, the President recognized that inflationary tendencies in Chile had reached a stage of some importance. He pointed out that the present position was due to diverse factors; firstly, an abundance of foreign exchange resulting from a shrinkage of imports in comparison to exports, which exchange had to be converted to currency to meet the requirements of exporters and Budget expenditure; secondly, a general rise in wages which had increased on a scale out of proportion to the volume of production; and, thirdly, abnormal war-time industrial profits. Sr. Ríos expressed confidence that the tendency to inflation could be checked and stated that in the Government's opinion the best method, so far as Chile was concerned, of combating the problem was to utilize the excess in exchange and the increased purchasing power to capitalize and develop national industries in order to increase production whilst at the same time maintaining a rigid control of prices and wages. Moreover, urgent attention was being given to agricultural development, particularly the production of wheat and meat for internal consumption.

To sum up, Chile is exporting everything she can produce that is not strictly required for her own needs. Imports are being obtained in sufficient quantities to maintain production at a reasonable level if care is taken and all classes show sufficient self-discipline. The internal political situation has remained stable, although misgivings have been expressed at the steady increase in Budget expenditure. Rates of exchange are, at present, artificially pegged, and financial economy, both private and public, and the general pursuance of an orthodox financial policy is necessary if exchange rates are to be maintained at their present quotations once they are allowed to find their own level at the end of the war. The Government's realization of the position is reflected in the fact that a comprehensive Economic Plan is being introduced to Congress, dealing with such fundamental matters as the control of prices and wages and profit, and the distribution of industry.



## CONTROL OF EXPORTS FROM CANADA

### REGULATIONS AMENDED

By Export Permit Branch Order No. 75, effective August 16, 1943, the regulations regarding exemptions from requiring export permits for shipments from Canada are amended as follows:—

1. The exemption from requiring permits for exports of pectin to the British Empire or the United States is cancelled, so that permits are now required for shipments of pectin from Canada to any destination.

2. Shipments of fresh tree fruits, n.o.p., of other than Canadian origin are exempted from requiring an export permit when shipped to any part of the British Empire or to the United States. It should be noted that this exemption does not apply to the item "apples, peaches, pears and plums, fresh", nor to cherries, but covers other imported fresh fruits such as oranges, lemons, grape-fruit, bananas, etc. not otherwise specifically mentioned.

3. The exemption from the requirement of an export permit for shipments to the British Empire of birch and maple logs, lumber and flooring, included in Group 4 (Wood, Wood Products and Paper), is cancelled and replaced by exemption from requiring an export permit for shipments to the United Kingdom only.

NOTE.—This does not in any way affect military or government shipments covered by Export Permit Regulation No. 34.

### ADDITIONS TO LIST OF PRODUCTS AFFECTED

By Order in Council P.C. 6384, effective August 16, 1943, fresh cabbages, tomatoes and grapes, included in Group 1 (Agricultural and Vegetable Products), are added to the list of products the exportation of which is prohibited except under permit from the Export Permit Branch, Department of Trade and Commerce, Ottawa.

## TARIFF CHANGES AND TRADE REGULATIONS

### Australia

#### CHANGES IN IMPORT LICENSING REGULATIONS

Mr. K. F. Noble, Acting Trade Commissioner at Sydney, Australia, writes that, beginning July 1, 1943, the licensing period for goods of non-sterling origin will be of six months' duration and for goods of sterling origin three months.

With effect from July 1, another long list of commodities from both sterling and non-sterling sources has been placed under Administrative Control, the majority of which are drugs, chemicals, medical supplies and items admissible only under by-law, including hospital equipment, scientific instruments, X-ray apparatus, surgical appliances, dental supplies, and fruit pectin in bulk. Other commodities listed include cream separators, vacuum flasks, monotype paper, abrasive papers, and measuring and recording instruments.

Potter's glaze, red oxide, vegetable black, crystal glass reflectors for use with arc lamps, moulders' chaplets and studs are now prohibited imports from both sterling and non-sterling countries, while the following goods, which were formerly prohibited only when of non-sterling origin, have now been added to the prohibited sterling list: wheat-germ oil, leather of various kinds, a number of rubber manufactures, and cork for tipping cigarettes.

Corks of non-sterling origin may now be imported up to 200 per cent of imports during the base year ended June 30, 1939, but imports of corkboard are prohibited from both sterling and non-sterling sources.

## TEXTILE IMPORTS FROM THE UNITED KINGDOM

With reference to the item published in *Commercial Intelligence Journal* No. 2061 (July 31, 1943), page 95, Mr. K. F. Noble, Acting Trade Commissioner at Sydney, writes under date June 22, 1943, that, implementing Licensing Instruction No. 43/39 by the Division of Import Procurement, Australian Department of Trade and Customs, Instruction No. 43/42, provides that, after obtaining firm orders from Australian buyers, local agents will submit their proposed distribution to the Division of Import Procurement for endorsement. Applications for such approval shall include the following details in respect of each type of material of United Kingdom origin: (a) disposal to each Australian client in the calendar year 1940; (b) quantity now available from the United Kingdom; (c) proposed disposal to Australian clients from quantity now available from the United Kingdom.

Although taken on a firm basis, subsequent supplies of goods are dependent on endorsement by the Division of Import Procurement. All transactions against United Kingdom cotton allocations must be conducted through local British agents.

Australian importers shall not have access to a portion of the allocation by means of direct orders placed with buying houses or suppliers in the United Kingdom.

**Dominican Republic**

## DOCUMENTATION REQUIREMENTS

Writing from Havana, Cuba, under date July 28, Mr. J. E. O'Neill, Acting Canadian Trade Commissioner, advises that the Dominican Government, in the interests of national defence, has issued instructions that consular invoices and bills of lading prepared for shipments to that country should no longer show the name of the vessel, the captain, the flag, or the date of sailing, registry and tonnage of the ship. Such information is also to be omitted from manifests or freight lists, and on envelopes enclosing the above-mentioned shipping documents.

It is further reported that, effective June 15, exporters are required to present to the Consulate of the Dominican Republic, for certification, five copies each of the consular invoice and of the bill of lading, as well as two copies of the commercial invoice, covering shipments to the Dominican Republic; and that Consuls have been instructed to send to the Dominican Customs district concerned the triplicate and quintuplicate copies of each consular invoice and bill of lading, as well as a copy of each commercial invoice. Consular fee rates have not been increased.

**EXCHANGE CONDITIONS IN ECUADOR**

## W. G. STARK, ACTING TRADE COMMISSIONER

Lima, July 31, 1943.—A system of strict exchange control was reintroduced in Ecuador on June 3, 1940, and is still in operation. The official dollar buying rate of the Central Bank of Ecuador has recently been reduced from 13.70 to 13.50 sucres to one United States dollar, but the selling rate of 14.10 sucres to the dollar has been maintained. Taking into consideration the official rates as between Canadian and United States dollars, one Ecuadorean sucre equals about 8 cents Canadian.

The increase of legal reserve to 20 per cent and also the compulsion on commercial banks to invest 20 per cent of their sight and term deposits in gold certificates, to be issued by the Banco Central del Ecuador, have some-



what restricted the banks' credit facilities. Collections, however, are being taken up promptly. The economic situation is good; the Central Bank has high dollar exchange reserves, although there is considerable evidence of inflationary tendencies. For importers the chief difficulty is to obtain delivery of merchandise ordered from overseas.

### IMPORT PERMITS

Imports are subject to permits, which are granted to importers on a quota basis relative to their capital and previous volume of imports. A certain control is maintained with regard to the importation of luxury goods and those that compete with nationally manufactured articles. As a precautionary measure a Canadian exporter should not ship goods unless the dealer in Ecuador has supplied him with a duplicate copy of the relative import permit (*Permiso de Importaciones*).

Importers are required to make application for exchange before placing orders abroad. When exchange is granted, the Central Bank puts it aside to the order of the importer, so that it is available for payment against shipping documents.

### LETTERS OF CREDIT

Importers may also open letters of credit, which can only be established through the Central Bank of Ecuador, as this bank alone is empowered to handle such transactions. Formerly the Central Bank required a cash deposit of 100 per cent of the value of the confirmed letters of credit; by decree of March 21, 1942, however, the Central Bank is now permitted to issue confirmed letters of credit for the importation of merchandise upon the importer's depositing 25 per cent of the value of the letter of credit in cash and the remaining 75 per cent in the form of such guarantees as the Board of Directors considers necessary. The same decree also provides that government departments, state railways, the Southern Railroad and the Loan Bank of Ecuador shall not be required to deposit the 25 per cent in cash for merchandise; these will only have to submit satisfactory guarantees for the full amount to the Board of Directors.

The Customs and parcel-post offices will not deliver imported goods unless proof is furnished that the covering exchange has been obtained through the Central Bank of Ecuador. Merchandise that has been sold on a time-draft basis is delivered only upon certification that the purchaser has accepted the draft and a bank guarantee of reimbursement with funds provided by the Central Bank of Ecuador. Imports may also be effected through letters of guarantee that are established by Ecuadorean commercial banks, by which the commercial bank itself guarantees the credit risk.

### TERMS OF PAYMENT AND QUOTATIONS

Canadian exporters forwarding goods to unknown customers in Ecuador should insist on letter of credit or letter of guarantee. However, since the Exchange Control sets exchange aside for approved orders, sales on a sight-draft basis, or even on short-term credits, may be made to reliable importers. Should an importer refuse to pay a draft for which the foreign exchange has been earmarked, he is not to be granted further exchange facilities; in other words, he will be unable to obtain additional imports.

When making quotations to Ecuadorean firms, shippers in Canada, in order to avoid confusion, are advised to quote prices in United States dollars, as this is the most common medium of exchange in Ecuador. Also, by the regulations of the Canadian Foreign Exchange Control Board, final settlement for Canadian goods despatched to Ecuador must be effected in United States dollars. How-



ever, if for some reason quotations are made in Canadian dollars, a clear indication should be given of the exchange allowance granted to convert these offers into United States funds.

### DOLLAR NOTES

Control over dollar notes is in effect in Ecuador, and it is now illegal to use these in any transaction. Holders were obliged to surrender their dollar notes to the Central Bank before August 31, 1942. According to financial circles, approximately \$525,000 was turned in to the bank. There is a small black market in dollar notes, as U.S.\$50 may be carried by travellers on entry into the United States. The rate for notes in this market has dropped as low as 6 sucres to the dollar, but this rate fluctuates on occasion up to about 10 sucres.

### FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING AUGUST 16, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, August 16, 1943, and for the week ending Monday, August 9, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Aug. 9	Nominal Quotations in Montreal Week ending Aug. 16	Official Bank Rate
Great Britain. . . . . Pound	4.8666 Buying Selling	\$4.4300 4.4700	\$4.4300 4.4700	2 —
United States. . . . . Dollar	1.0000 Buying Selling	1.1000 1.1100	1.1000 1.1100	1 —
Mexico . . . . . Peso	.4985	.2284	.2284	4
Jamaica . . . . . Pound	4.8666 Bid Offer	4.4200 4.4800	4.4200 4.4800	— — —
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. . . . . Peso (Paper)	.4245 Official Free	.3304 .2785	.3304 .2783	3½ —
Brazil. . . . . Cruzeiro (Paper)	.1196 Official Free	.0673 .0569	.0673 .0569	— —
British Guiana . . . . . Dollar	1.0138	.9313	.9313	—
Chile . . . . . Peso	.1217 Official Export	.0574 .0444	.0574 .0444	3-4½ —
Colombia. . . . . Peso	.9733	.6358	.6358	4
Venezuela . . . . . Bolivar	.1930	.3330	.3330	—
Uruguay. . . . . Peso	1.0342 Controlled Uncontrolled	.7307 .5866	.7307 .5862	— —
South Africa. . . . . Pound	4.8666 Bid Offer	4.3862 4.4590	4.3862 4.4590	3 —
Egypt . . . Pound (100 Piastres)	4.9431 Bid Offer	4.5380 4.5906	4.5380 4.5906	— —
India. . . . . Rupee	.3650	.3359	.3359	3
Australia . . . . . Pound	4.8666 Bid Offer	3.5300 3.5760	3.5300 3.5760	3 —
New Zealand. . . . . Pound	4.8666 Bid Offer	3.5440 3.5940	3.5440 3.5940	1½ —

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**



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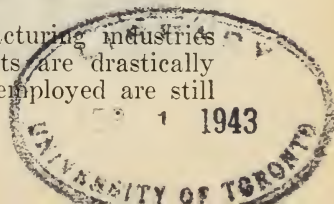
## ECONOMIC CONDITIONS IN IRELAND IN 1942

E. L. McCOLL, CANADIAN TRADE COMMISSIONER

Dublin, July 31, 1943.—Industrial activity in Ireland has been fraught with many sharply defined and disquieting problems. The two principal difficulties were the shortage of raw materials, and the lack of ships to bring them from abroad. Irish industrialists, in co-operation with the Department of Supplies, have endeavoured to purchase stocks from whatever sources are open to them under present circumstances, and many types of merchandise and food have come to this country from Canada and elsewhere. The growing contraction in the production of civilian consumer goods throughout the world has also accentuated the scarcity of many essential articles for household and personal use. With regard to food, however, the position was relieved by last year's good harvest. Wheat and other cereals for human food head the priority list for cargo space on the few ships coming to this country, which are under government control. The cost of nearly all imports has practically doubled as a result of inflationary prices and trade costs. The import price index rose from 86.1 in March, 1939, to 194.1 in March, 1943.

## SUBSTITUTE MATERIALS

Despite the supply difficulties, the majority of manufacturing industries are striving to maintain employment, although their outputs are drastically reduced, and a large number of workers who are not fully employed are still



on the weekly payrolls. The acute fuel situation, now that coal from the United Kingdom is only obtainable in restricted quantities, has resulted in firms having to convert their heating plants for the use of turf or wood, install generator sets, or produce their own charcoal for the first time. They have had to find substitutes for materials formerly utilized, put chemists to work on the discovery of new commodities, and in some cases conserve transportation by moving entire plants from one location to another, so as to have access to available substitutes. Much has also been done in the way of salvaging waste products to which little value was attached hitherto.

### FOOD RATIONING

After the public had been repeatedly warned of the increasing danger of a food shortage, it became necessary to introduce measures to conserve supplies and to ensure the equitable distribution of essentials. In order to regulate consumption, rationing was resorted to, and a variety of foodstuffs, household goods, clothing, etc. is now sold only in exchange for coupons and in limited quantities. The costs of bread, sugar and butter have continued to advance as a direct result of the improved prices paid to farmers for wheat, milk and sugar beet. The shortage of butter and sugar has been acutely felt, the weekly rations being fixed at one-half pound and three-quarters of a pound per head respectively.

### TEXTILES

Efforts have been directed towards the conservation of textile goods, as existing stocks are diminishing, and the Government has sought to ensure that imported materials will be restricted to types most suitable for use by the greatest number of people. Ration coupons for clothing were introduced in June, 1942, materials containing wool being given a high coupon value, while artificial silk may be purchased more freely. Wool is in very short supply, but several substitutes have appeared on the market. In the manufacture of many garments, cloth is being saved by the elimination from men's suits of some of the pockets, turn-ups on trousers, and in some cases the omission of waistcoats.

Footwear was rationed in June, 1942, but supplies were considered good at the time, and a rate of only one coupon per pair was imposed. Boots and shoes of good quality have since become very scarce. The local boot-making industry is of recent development and, now that the supply of imported leather and sewing thread is being exhausted, it is quite unable to meet the domestic demand, so that the position for the retailer, since imports from the United Kingdom have declined, has become extremely serious. Stocks of footwear are at present dwindling rapidly, and efforts are being made to replenish them from Canada.

### TRANSPORT

Due to the shortage of fuel, all of which is imported, Ireland's internal transport services have been curtailed. The railways use coal and the road services Diesel oil and petrol, yet none of these commodities is reaching Ireland in anything like sufficient quantities to meet the country's requirements. Since April, 1942, this situation, together with the rubber shortage, which may even become more serious as hostilities continue, is largely responsible for the prohibition of private motoring, except, to a limited extent by doctors, clergymen and other essential groups. Motor traffic has shrunk to roughly one-quarter of its pre-war level, and strict curtailment in city and suburban bus services is also in effect.

The Emergency Scientific Research Bureau has concentrated its attention on securing an alternative fuel for use in internal combustion engines. Tests are being made to discover the best solid fuels for this purpose. Apparently the greatest difficulty arises from the inadequate supplies of raw materials.



Irish anthracite, suitable for mobile gas-producers, would be insufficient for even restricted needs if petrol were to go off the market entirely. Alternatives to anthracite are wood charcoal and turf charcoal. Wood charcoal is being produced in fair quantities at a high price—£36 per ton (2,240 pounds) retail. So far the production of turf charcoal has not been developed to any extent.

In an endeavour to conserve tires, the Government reduced the speed limit for omnibuses and other heavy vehicles to twenty miles per hour. A warning has also been issued that new tires, even for these vehicles, may disappear from the market. The problem of securing raw rubber and rubber products is causing grave concern, and special regulations have been put into force to control rubber processing. The only rubber which this country now obtains is that recovered by salvage, all of which is being utilized for the production of tires for vehicles employed on essential work, and it is feared that, if prevailing conditions last much longer, the manufacture of new rubber tires in Ireland will cease.

Consequent on the restricted use of motor cars and the reduction of bus services, bicycles became popular, so much so that exorbitant prices were being offered for new and second-hand machines until this was checked by the issue of a fixed prices order covering both cycles and cycle tires.

The railways were faced with grave difficulties when imports of coal slumped and its quality deteriorated. So grave did the position become that suburban and mainline services had to be reduced to an absolute minimum. On most of the direct routes serving the twenty-six counties the schedule was confined to one train a day in each direction. In some cases, owing to the poor quality of the fuel, trains ran behind time. This situation, however, was met when a plant was installed at the railway works for the manufacture of briquettes from coal slack, which at present makes up the bulk of imported solid fuel.

## FUEL SUPPLIES

### COAL

As this country is dependent on Great Britain for supplies of coal, its worst problem is the fuel shortage. When imports decreased, rationing of all types of fuel had to be resorted to. One bag (140 pounds) of coal per month was allocated to each household, but even this ration was withdrawn as railways and industrial undertakings, which had priority, ran short of supplies.

### GAS

Production of gas, which is dependent on imported coal, fell considerably, and gas was subsequently placed in the category of restricted commodities. The sudden rationing, introduced in March, 1942, threw households, hotels, and some industries into temporary confusion.

### ELECTRICITY

Shortly after the rationing of gas, supplies of electricity were also curtailed, as the public had begun to use this method of heating and cooking to an extent beyond the country's power capacity. Restriction remained in force until the autumn of 1942, when consumption was fixed at the 1941 level.

### TURF

The demand for turf (peat) as a substitute for coal became excessive, and supplies were first rationed on the basis of one ton per month per family. This was restricted later to half a ton at a controlled delivered price of 64s. per ton. Although there is an abundance of turf bogs of high quality, the problem of transportation is so great that a severe shortage of this commodity is experienced in urban and non-turf-bearing districts.



An extensive turf-cutting campaign was begun by the State in 1941 and, were it not for this measure, the difficulty of securing domestic fuel would have been much greater. In an effort to ease the transport problem, the Department of Industry and Commerce had a number of horse-drawn barges built for operation on the canals, and by this means large quantities of turf from the adjacent bogs reached Dublin City. Each of these barges has a capacity of between forty and sixty tons. To assist the poorer classes, a special free-turf scheme was announced at the beginning of the winter whereby an allowance of 1 cwt. (112 pounds) per week was granted to necessitous persons. During the first week the scheme was in operation approximately 1,191 tons of turf was distributed. Experiments were carried out for the production of town-gas from turf, with favourable results reported.

#### FIREWOOD

To supplement the limited fuel supply, wooden blocks for firewood were resorted to, and a price of 60s. per ton delivered was fixed for the Dublin area, with a slightly smaller charge outside. All trees cut down for firewood must first be passed by a government inspector as unfit for other purposes.

#### CEMENT

Among the heavy industries affected by the lack of raw materials was the production of cement, the consumption of which was confined for a considerable period to supplies for essential building operations. The shortage was partly due to the inroads made on existing stocks by the Government's erection of numerous air-raid shelters in the densely populated areas of the country.

#### AGRICULTURE

The farming community of Eire has responded wholeheartedly to the Government's appeal for greater tillage in an effort to alleviate the food problem and conserve shipping space for essential raw materials. The area required to be tilled in 1942 was one-fourth of all arable land on holdings exceeding ten acres, but this was later extended to include farms as small as five acres. The increased tillage plan resulted in the area of grain crops being increased by 232,719 acres, or approximately 16.5 per cent, over the 1941 sowings. The total area under such crops in 1942 is estimated at 1,645,915 acres, made up as follows: wheat, 574,739 acres; oats, 877,766 acres; barley, 186,242 acres; and rye, beans and peas, 7,168 acres. The expansion in wheat acreage is considered impressive when it is realized that in 1939 only 255,280 acres were sown to this crop. For the 1942-43 season it is hoped to bring the area in wheat up to 650,000 acres. The average yield for the 1942 harvest was 17.8 cwts. per statute acre. Crops and qualities of spring wheat fluctuated, the return being between 6 and 7½ barrels per acre. The prices fixed for these crops per barrel\* were as follows: wheat, 50s.; barley, 35s.; oats, 21s. to 25s. 8d. The area sown to root crops declined by 48,609 acres (6.1 per cent), the total being 749,962 acres made up as follows: potatoes, 425,501 acres; turnips, 146,427; mangels, 83,601; sugar beet, 54,888; cabbage, 16,505; other root and green crops, 23,040 acres.

The decline in the area under sugar beet was chiefly due to the inability of farmers to obtain the necessary fertilizers, and for the same reason the sugar content was below average. The price was fixed during the year at 60s. to 70s. per ton for beet with a sugar content of 17.5 per cent. Hay was down by 2 per cent to 1,959,575 acres.

\* The approximate equivalents of the barrel are as follows: wheat, 280 pounds; oats, 196 pounds; barley, 224 pounds.

The barley crop was good, with a return of between 8 and 10 barrels per acre. Oats yielded approximately one ton per acre. Prices for seed oats and seed barley were fixed at 31s. 6d. and 44s. per barrel respectively. As the quantity of oats grown was not nearly sufficient for the country's requirements, arrangements were made to obtain supplies from Canada, and some cargoes have arrived. The bulk of these imports will be utilized for the production of flake oatmeal for human consumption.

Potatoes did not return a good crop in 1942, the yield varying from 5 to 12 tons per acre. For a few months before the appearance of the 1943 crop on the market it was difficult to obtain supplies for table use, and seed potatoes were also expensive and scarce. The shortage is attributed mainly to the fact that the farming community is feeding potatoes to animals and poultry, since they make better and less expensive food than the inferior-grade emergency meal. Prices asked for early supplies of potatoes were too high, and a government order was passed fixing a maximum of 2s. 6d. per stone (14 pounds). Plentiful supplies are now, however, available at prices ranging from 1s. 9d. to 2s. 3d. per stone. Turnip and mangel crops were also below average, due largely to the shortage of artificial manure.

The shortage of feeding-stuffs was responsible for part of the decline in the cattle population, which shrank from 4,150,500 in June, 1941, to 4,093,100 in the same month of 1942. Exports of cattle to Great Britain are maintained on a high level as compared with 1941, when, due to the ravages of foot-and-mouth disease there was a great decline. The number of sheep fell by 224,000 to 2,685,400. The most serious drop, however, was recorded in the number of pigs—from 763,700 to 518,704 (32·7 per cent)—and consequently the supply of bacon in the shops has been drastically cut. Pig prices were changed, the top grade reaching 125s. per cwt. (112 pounds) dead-weight for animals between nine stone and fourteen and one-half stone. Indicative of the shortage of bacon are average weekly killings, which were 5,299 in the April-September period of 1942 as compared with 17,930 for the first half of 1940.

Butter is also in short supply. So serious did the situation become that all exports from this country were prohibited, and a weekly ration of half a pound per person was imposed in September, 1942. So far this amount remains unchanged. The use of creamery butter for any purpose other than ordinary domestic consumption is forbidden.

#### COST OF LIVING

The cost-of-living index for May, 1943, is given as 275, an increase of 2 points over that for February, and 35 points, or 15 per cent, above the figure for May, 1942. In order to offset the steadily increasing cost of commodities in Ireland, the average housewife has been obliged to change over to less expensive substitutes.

The usual seasonal reductions in the prices of eggs, milk and butter (the two latter being subject to a fixed price) accounted for a decline of approximately 6 points, but this was offset by a rise in the prices of meat and potatoes, which went up approximately 3 points. Increases in the cost of other articles were about 5 points.

In comparison with pre-war figures, the index number for May, 1943, is 102, or 59 per cent above that for August, 1939. Advances in the index numbers for the various groups are as follows: food, 79 points, or 5 per cent; clothing 196, or 87 per cent; fuel and light, 155, or 86 per cent; and sundries, 117, or 61 per



cent. The costs of clothing and fuel and light, as compared with those of February last, increased by 28 points, or 7 per cent, and 4 points, or 1 per cent, respectively.

The reduction of 7s. in the purchasing power of the pound of 1938 does not convey fully the extent of the depreciation which has occurred. While many of the principal items that enter into the compilation of the official cost-of-living figures have been subject to control measures, the prices of a wide variety of commodities not taken into account in compiling these data are double or treble the pre-war prices. When all allowances are made, it may be assumed that to-day's average purchasing power of the 1938 pound note is somewhere between 10s. and 12s. in the twenty-six countries.

### AUSTRALIAN WHEAT SITUATION

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, cabled under date August 17, 1943, regarding the Australian wheat situation as follows:—

Unsold stocks of wheat in Australia at August 1 approximated 187,000,000 bushels. The rate of export is still very slow. Consumption of whole wheat and ground wheat as stock feed continues to increase owing to drought and the absence of mill offals, due to the decline in flour milling. Consumption of wheat as stock feed is 30 per cent higher than this time last year. Weather conditions continue poor, with rain urgently needed, especially in Victoria and New South Wales, to ensure even an average crop. Wheat acreage is estimated at 8,317,000 as compared with 9,280,000 last season.

### SUGAR PRODUCTION IN AUSTRALIA

K. F. NOBLE, ACTING TRADE COMMISSIONER

Sydney, June 30, 1943.—Final figures for the 1942 output of sugar show that total production for the year ending June 30, 1943, was lower than first estimated 625,000 tons 94 n.t. sugar (605,296 tons).

The 1942 production figure, which is the lowest in the past decade, is a further reduction from the figure for the peak year (1939), when the output was 891,422 tons, production in the intervening years being 759,446 tons in 1940 and 696,815 tons in 1941.

While the 1939 production was expanded by exceptionally favourable climatic conditions throughout the sugar belt during the growing period, the Australian Sugar Producers' Association considers that less favourable climate conditions in the subsequent years have been of only secondary importance in the declining output. Major factors have been shortages of manpower and fertilizers, while there is no indication that the position will not deteriorate further in respect of both items.

There has been an increase in the price per ton for raw sugar exported, but this advance has not maintained the annual gross income of the industry. In round figures the revenue of the industry was £14 million in 1939, £13 million in 1940, £12 million in 1941, and £11 million in 1942.

The Sugar Producers' Association emphasizes that unit costs of labour and essential supplies have increased substantially, although gross expenditure has not necessarily increased in proportion, since labour and certain necessary supplies have been available only on a reduced scale.

The sugar pool price for 1942 season sugar was fixed at £18 14s. 4d. per ton.



## COMMERCIAL NOTES FROM INDIA

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One rupee is approximately equivalent to \$0.335 Canadian)

### Foreign Trade, 1942-43

Bombay, July 12, 1943.—Indian government trade returns for the year ended March 31, 1943, show a considerable decline in both import and export values as compared with the preceding year. Imports fell off from Rs.1,732,701,339 in 1941-42 to Rs.1,104,482,618, while exports decreased from Rs.2,375,768,672 to Rs.1,876,010,948. Despite this appreciable decline in total trade values, the favourable balance of trade increased from Rs.643,067,333 in 1941-42 to Rs.771,528,330 in the year ended March last.

### Indian-Canadian Trade

The value of India's imports from Canada during 1942-43 was Rs.55,353,841, somewhat less than the 1941-42 figure of Rs.67,294,252. Indian export trade to Canada showed a marked decline as between the two years, the respective figures being Rs.64,714,563 and Rs.37,799,797. India's traditional favourable balance of trade with Canada, which gave way to an unfavourable balance of Rs.2,579,689 in 1941-42, was again replaced by an unfavourable balance which reached the high figure of Rs.17,554,044.

### Food Situation

The food situation throughout India has become increasingly acute. It has been pointed out in official statements that, while supplies of grains and other essential foods are adequate for current requirements, stocks are not being released by farmers and dealers, nor is normal distribution of available supplies proceeding satisfactorily. The Government is at present considering the enactment of new measures designed to ameliorate the position. These may include the reimposition of price control, the improvement of transport arrangements, the extension of rationing schemes for basic foodstuffs, which have hitherto been enforced only in the larger cities, and the guarantee of prompt and fair payment to farmers and country dealers. Additional steps are being taken at the same time to increase food production throughout the country.

### Crop Reports

Official estimates of the 1942-43 outturn of principal crops indicate substantial increases in the case of jute, castor-seed, and sugar cane, with smaller increases for groundnuts, sesamum, wheat, and linseed. The yields of cotton, rice, and rape and mustard seed are expected to be below 1941-42 levels.

The fourth wheat-crop forecast for the 1942-43 crop shows an estimated area sown of 34,057,000 acres as compared with a revised figure for the 1941-42 crop of 33,914,000. The yield is estimated at 10,938,000 tons, an increase of 9 per cent over that of the previous year.

### Cotton Trade Control

The Central Government has recently assumed a wide measure of control over the production and sale of cotton goods. This step has resulted from the increasing scarcity of cloth for domestic consumption and a marked rise in prices. It is estimated that regulations that have recently come into force will shortly result in a decline of 25 to 40 per cent in the price of the more common types of cotton cloth produced in local mills.

### **Compulsory Showing of Propaganda Films**

A recent order issued by the Central Government makes it obligatory on moving-picture theatres, as from September 15, to include in all regular programs a minimum of 2,000 feet of propaganda film. Such films will have been prepared by or under the direction of the Department of Information and Broadcasting or, if made elsewhere, will have been certified by this department as suitable for such purposes.

### **Indian Trade Commissioner Service**

The Central Government has recently announced the establishment of an Indian Government Trade Commissioner office at Buenos Aires. The Trade Commissioner will exercise supervision over Indian trade interests in all South American countries.

### **Post-War Reconstruction**

Post-war problems in India are receiving attention from a committee of the Governor-General's Executive Council. This committee has the benefit of advice from departmental officials and experts, as well as from five separate "policy" committees composed of provincial and state government officials and representatives of trade and industry. No information is yet available regarding any post-war policies of the Central Government.

### **Anti-inflation Regulations**

The Indian Government has issued a number of regulations that are designed to check the trend towards inflation, which has become increasingly apparent during recent months. One such measure prohibits the sale of new or additional capital stock except with government permission, a second increases the rate of the excess profits tax, while a third limits the dividends payable on shares of the Reserve Bank of India.

### **Industrial Activity**

According to a reliable index of industrial activity in India, there was a considerable decline in the tempo of operations and output during the year ended March 31, 1943, as compared with the previous twelve months. The maximum monthly index number recorded during the past year was 116.2 for the month of July, 1942, whereas the maximum during 1941-42 was 129.6, reached in November, 1941. The figure of 108.2 for March, 1943, compared unfavourably with 118.9 for the same month of the previous year.

### **Prices**

Prices of practically all commodities except the few which are subject to government control continue to show a strong upward tendency. The official index number of wholesale prices in Bombay in January, 1943, stood at 255 as compared with a figure of 184 for January, 1942, and the basic figure of 100 for July, 1914. The latest available figure for the whole of India is for July, 1942, when this index was recorded as 200, or 28 per cent higher than in the same month of the previous year.



## CIVILIAN SUPPLIES IN SOUTHERN RHODESIA

H. L. BROWN, CANADIAN TRADE COMMISSIONER

Johannesburg, June 18, 1943.—The Ministry of Supply was set up in Southern Rhodesia in May, 1942, and comprises the divisions of Supply, Distribution and Production. It has official representatives in Washington, D.C., and in Johannesburg, South Africa; in London it operates through the Southern Rhodesia High Commissioner located there.

### SUPPLY AND IMPORT CONTROL

The functions of the Supply Division are the procurement of supplies and the control of imports; prior to the establishment of the present organization an import section, designed to control imports by a system of priorities, was in operation. A Provision Office, under the Eastern Group Supply Council, for obtaining supplies for the Southern Rhodesia Supply Corps and the Rhodesian Air Training Group, has been operating for a long time.

The primary objects of import control are to regulate imports in accordance with the relative importance of the goods and to control the quantity of goods purchased from a supplying country where limited amounts are available. An import certificate does not carry with it any official guarantee that the goods concerned are regarded as essential; it merely means that, if the supplier country can make the goods and shipping space is available, the Southern Rhodesia authorities do not stand in the way of their importation. However, an import certificate accompanied by a certificate of essentiality does carry a government guarantee that the goods are needed to maintain the economy of the country and its war effort.

Purchases are made by the Department of Supply, rather than by merchants, only when (a) lend-lease goods are available to the Government alone; (b) it is a prerequisite that the goods be taken up by the Department; (c) small quantities are available the indenting of which by a number of merchants is impracticable; and (d) procurement is for strategic reserves. The general trend regarding essential supplies has been more and more for goods to be imported by the Department, mainly as a result of decisions by supplying countries.

A number of Merchant Advisory Groups was formed in September, 1942, consisting of importers of about twenty-five classes of commodities, who were importers of such goods prior to August 31, 1939. They function under the authority of the five chambers of commerce in the Colony. The groups assisted in the classification of imported goods into three categories: primary, secondary and non-essential. The Priority Manual was subsequently modified and contains some 1,200 classes of articles.

The Medical Director has approved an arrangement whereby his Department is responsible for the procurement of medical supplies essential to life and to health. Chemists' and druggists' sundries, however, are dealt with through the appropriate merchant group.

### DISTRIBUTION

The Division dealing with distribution is not of direct importance to the overseas exporter, but a few notes may be of interest. Export permit and internal permit, the distribution of goods among merchants, rationing, stock control and related matters all come within its purview. This Division assumes control of all goods acquired by the Department on arrival at African ports or land borders. To facilitate the clearance of goods, clearing pools have been formed at Beira and at South African ports. Merchant groups function in the allocation of goods when that question arises as, for example, in respect of goods



purchased by the Department. It is difficult for the Department to obtain precise data on which to base allocation of goods normally obtained by merchants through manufacturers' representatives. Therefore the agents and distributors' group effects distribution, under the control of the Department, to merchants on the basis of former business.

## **WOMEN'S SILK HOSIERY INDUSTRY IN ARGENTINA**

J. A. STRÖNG, CANADIAN COMMERCIAL ATTACHÉ

Buenos Aires, August 11, 1943.—The manufacture of women's silk hosiery is one of the local industries that had its beginning during the depression years of the early 1930's. This industry had almost a free hand in the domestic market except for some competition from imported German hosiery just before the outbreak of war. The industry has received a great impetus from export demand since the beginning of hostilities, particularly from South Africa. The shortage of silk thread is restricting the expansion of the industry this year.

There are some sixty-six silk-hosiery mills operating in Argentina, but five of these produce 42 per cent of the entire output of the country. The population of Argentina is 13,500,000. The industry produced 13,204,823 pairs of women's natural-silk hosiery and 4,742,378 pairs of women's hosiery of rayon in 1940. A total of 229 tons of imported natural-silk thread and 69 tons of domestic and 161 tons of imported rayon thread were consumed by the industry in that year. There is a large rayon factory in Argentina.

There were 266 tons of natural-silk thread imported in 1941 as compared with 285 tons in 1940 and only 108 tons in 1935. The United Kingdom supplied 140 tons of the natural-silk thread in 1941. The remainder came from Japan excepting 20 tons from the United States. No thread was imported in 1942.

## **EXPORTS OF WOMEN'S HOSIERY**

There were no exports of women's silk hosiery from Argentina before the beginning of the war, excepting small quantities to neighbouring countries such as Bolivia and Paraguay, amounting to 495 pounds in 1939. There was no material change in 1940, but Argentina exported 6,798 pounds of silk hosiery in 1941, including new shipments to Chile, Ecuador and Peru, but no shipments were made to South Africa in that year. Shipments in 1942, which were confined almost exclusively to hosiery of natural silk, reached 109,280 pounds, of which 95,207 pounds were purchased by South Africa. During the first quarter of 1943, Argentina exported 135,526 pounds of silk and mixed silk hosiery to South Africa. Other new markets for small lots were: Spain, Panama, Costa Rica, and Curacao, N.W.I.

Since the local stocks of natural-silk thread are now exhausted, there will be no further expansion in export sales until new supplies are available. The quality of the local product has improved very much in recent years.

## **ARGENTINE GRAIN POLICY**

W. B. McCULLOUGH, ASSISTANT COMMERCIAL ATTACHÉ

Buenos Aires, July 29, 1943.—The grain policy of Argentina for the current crop year has been defined in a series of decrees recently issued by the Argentine Department of Agriculture. The new policy is one of unrestricted sowings to grain crops. An allocation has been made from present wheat and flaxseed stocks for use as fuel, and due to the current shortage of coal and petroleum in Argentina, any increase in future production above normal requirements will be made available for this purpose.

An executive decree published on July 1, 1943, cancelled two previous decrees that restricted the area sown to wheat, corn, flaxseed and sunflowers. The Government suggests that growers increase the acreage of grain crops, adding that "guaranteed minimum prices will be established in the event that it is found that the free market price does not cover the cost of production". In announcing the new measures the Government stated that the increasing demand for grain as fuel, caused by the shortage of coal and fuel oil brought about by the war, had obliged the authorities to lift the restrictions on grain-crop acreages. It was also stated that it required only one bad year under present conditions to wipe out the reserves of grain stocks. On the other hand, even though the sowing of a larger acreage and favourable growing conditions would result in a greater production than local consumption and exports can take care of, this is still a far lesser evil than the possible stoppage of local manufacturing industries through lack of fuel. This measure will benefit local industry, but the industrialists will be obliged to pay the same prices to the Grain Board that the latter pays to growers.

Since the outbreak of war Argentina carried huge surplus stocks of corn. However, through the use of corn as fuel and as feed for live stock during the drought period, coupled with the virtual corn crop failure in 1942-43, this surplus has been completely used up. The minimum prices established on December 1, 1942, for wheat and flaxseed will be cancelled as of August 15 next.

#### WHEAT AND FLAXSEED TO BE USED AS FUEL

The Grain Regulating Board has been authorized by decree to sell to the National Petroleum Board, up to December 31 next, 2,000,000 metric tons (73,480,000 bushels) of old wheat for use as fuel. The latter organization, which has charge of gasoline and fuel-oil rationing, will assume direct control over the distribution of the wheat to be so used. The price is fixed at 45 pesos per ton (40 cents Canadian per bushel) at destination.

The Grain Board is also authorized to sell up to 500,000 tons (18,370,000 bushels) of wheat for fodder, subject to its assuming the responsibility to ensure that this wheat is not put to any other use.

Similarly the Grain Regulating Board was authorized by a decree of July 21 to crush up to 500,000 metric tons of flaxseed for oil, for delivery to the National Petroleum Board for use as fuel. The price of linseed oil is fixed at 310 pesos per metric ton (44 cents Canadian per imperial gallon), basis rail-car Buenos Aires. All consumers of fuel oil, gas oil and Diesel oil are required to take 20 per cent of their requirements in linseed oil.

#### AGRICULTURAL PRODUCTION IN CALIFORNIA

T. J. MONTY, ACTING TRADE COMMISSIONER

Los Angeles, July 30, 1943.—Previous to the industrial developments which have occurred on the Pacific Coast, largely since and as a result of the outbreak of war, the economy of these states was mainly based on agriculture. The need for increased agricultural production has been intensified by the war, and the following notes taken from a July report of the Security First National Bank of Los Angeles briefly outlines California's contribution in this respect.

"The well-known part California is playing in producing ships and planes for the war tends to overshadow the equally important but less spectacular contribution being made in producing food. The importance of the position California holds in the national food picture is indicated by the fact that total



production, as measured by farm income, exceeds that of all but one other state. Not only is total production large, but this production is divided among a wide variety of important crops ranging from field crops and vegetables to vital war specialty crops such as citrus and raisins.

"The importance of California's contribution in food is becoming more apparent now that demand is at record levels and prospects are for a smaller food production for the nation as a whole. While it is too early to predict what production will be this year, present indications are that this state's output will be above average but somewhat below the record set last year. Total acreage planted is about the same as in 1942, but it will be remembered that yields were particularly high last year, due to unusually favourable weather conditions. Based on reports of acreage planted and assuming average yields, California production of field crops will be slightly below the 1942 output."

## LOS ANGELES EXHIBITS OF GIFTS AND TOILETRIES

T. J. MONTY, ACTING TRADE COMMISSIONER

Los Angeles, August 4, 1943.—A Gift and Art Exhibit held in June, that is sponsored by the Los Angeles Chamber of Commerce and has been presented semi-annually for the past nine years, has broken all records in number of exhibits, visiting buyers and sales, according to reports issued by that Chamber.

The products exhibited included Southern California pottery, plastics, costume jewellery, glass and woodenware, souvenirs, greeting cards, china and dinnerware, leather goods, florist accessories, paper goods, toys, and dolls. Eastern and import goods for this trade were displayed, with Latin American, Canadian and Chinese articles dominant among outside exhibitors' wares.

A total of 3,500 buyers were registered from 35 states in the Union, Alaska, Hawaii, Mexico, Panama, and Canada; 200 exhibitors put more than 2,000 lines on display, showing over 20,000 items. The volume of sales on a confirmed order basis reached some \$4,000,000, constituting a record.

In July, a Toiletries Show was held, said to be the first of its kind held in the Western United States. The products exhibited included perfumes, cosmetics and toiletries of all kinds. Some 55 lines of toiletries were on display by 35 exhibitors representing leading manufacturers from every section of the country, including Los Angeles County firms. The goods shown were especially selected to appeal to buyers from drug, chain, department, and specialty stores.

Preliminary tabulations have indicated that buyers from the United States, Hawaii and Alaska purchased some \$2,000,000 worth of goods during a five-day exhibition.

"A feature of the event was the impression upon representatives of old-line Parisian perfume manufacturers that the glamour of Hollywood and the motion-picture influence around the globe give Los Angeles an opportunity to become a world centre in the manufacture and distribution of cosmetics and perfumes."

These exhibits are said to have been undertaken as a part of the program by the Chamber's Domestic Trade Department to build up Los Angeles County as the Western Buying Centre for consumer merchandise of all descriptions.

The success achieved is due to heavy consumer buying of these articles, because of shortages in other lines and as a result of the demand for articles appealing to Service men.

On account of the luxury nature of such articles, very few of them are permitted importation into Canada.



## BRITAIN'S TIMBER SUPPLIES

From the *London Chamber of Commerce Journal*

A report by the Forestry Commissioners on post-war forest policy (Cmd. 6447) has been presented to the Chancellor of the Exchequer, and was published on June 8. The report reviews in detail the position of wood and timber in the economy of Britain, and makes specific proposals for the better management of existing woodlands and the extension of the area under forest. Imports of timber and wood products before the war were valued at £63 million, and the unmanufactured timber alone amounted to about 11 million tons. Of this about 94 per cent was softwoods and 6 per cent hardwoods.

In recent pre-war years about 96 per cent of the consumption has been met by imports, and only 4 per cent by home-grown material. During the last war home-grown was substituted for imported timber, and substantial economies in shipping were effected. As a result of this experience, a forest policy was approved which included a program of state afforestation and the maintenance of existing woodlands in a productive state. In spite of setbacks, financial and other, a considerable forest estate, aggregating 714,000 plantable acres, has been acquired by the State, of which 434,000 acres were under woodlands by the end of 1939. Wholesale exploitation of the woodlands has continued unabated throughout the war. For the second time in little more than a generation the woodlands have been called upon to relieve the shipping position, the great bulk of the output coming from private woodlands, although the new plantations made by the Forestry Commission are also making a contribution.

The post-war position will demand large-scale action, and the object of the report is to indicate the most practical way of dealing with the problem. It is suggested that an area of 5 million acres of forest is required by Britain to ensure national safety and provide a reasonable insurance against future stringency in world supplies. A subsidiary benefit accruing from the systematic management of these 5 million acres would be the development and settlement of rural Britain.

Incidentally, a good deal of work can be provided on demobilization in connection with the construction of roads in existing state forests. Surplus plant, machinery and hutments might be retained for that and similar purposes.

The report shows that 5 million acres of trees can be secured by the afforestation of bare ground to the extent of 3 million acres, the balance of 2 million acres being selected from existing woodlands. Care would be taken not to interfere with land which was given over to food production. It is proposed that most of the afforestation be done by the State, but that the replanting and improvement of private woodlands should be done to a considerable extent by their owners under a system of dedication to timber production. Woodlands which are required for timber production will either be dedicated or acquired by the State. Dedication will carry with it the obligation of good management, in return for which there will be state help until such time as the woodlands are self-supporting.

Proposals are also submitted for the large-scale provision of housing required in connection with the state forests, for education and research, and for increasing the number of national forest parks. The report emphasizes the importance of having a single forest authority for the whole of Britain. It is not necessary to alter the constitution of the Forestry Commission as the established forest authority; but, if Parliament requires direct ministerial responsibility, that duty can best be performed by the Lord President of the Council.

## IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to July 31, 1943.

Unit	Total Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to July 31, 1943 Quantity Per Cent
Whole milk. . . . .Gal.	3,000,000	6½ to 3¼c. per gal.	4,435 . . .
Cream. . . . .Gal.	1,500,000	56½ to 28¼c. per gal.	532 . . .
Filleted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish. . . . .Lb.	15,000,000	2½ to 1½c. per lb.	8,505,616 56.7
Seed potatoes . . . . .Bu.	1,500,000 beginning Sept. 15, 1942	75 to 37½c. per 100 lb.	1,094,551½ 73.0
White or Irish potatoes, other than seed potatoes. . . . .Bu.	1,000,000 beginning Sept. 15, 1942	75 to 60c. per 100 lb. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30	21,372 2.1
Red cedar shingles. . . . .Sq.	2,506,072	Free	901,999 36.0
Silver or black foxes, furs and articles: *Foxes valued under \$250 each and whole furs and skins . . .No.	100,000 beginning Dec. 1, 1942	50 to 35% ad val.	45,658† 45.6
Tails . . . . .Piece	5,000 beginning Dec. 1, 1942	50 to 35% ad val.	463 9.3

\* The duty on live foxes of 15 per cent ad valorem, the rate under the Tariff Act of 1930, is not affected by the Agreement.

† Imports from Canada of 45,658 foxes valued at under \$250 each and whole furs and skins is for the period beginning December 1, 1942, to April 30, 1943. For the period May 1 to November 30, 1943, the United States set the quota allotment at 33,229 for all countries, and for the period May 1 to July 31, 1943, imports totalled 25,922. However, there is no indication in the statement by Treasury Department as to what proportion of these imports were supplied by Canada.

‡ It will be noted that this figure is lower than that reported as of July 3; this may be due to a revision of the figures issued last month.

The Treasury Department also reports that, for the twelve months beginning May 29, 1943, the following quantities of wheat and wheat flour entered or were withdrawn from warehouse for consumption under the import quotas established by the President's proclamation of May 28, 1941, as modified by proclamations of April 13, 1942, and April 29, 1943:—

	Quotas		Imports May 29 to July 31, 1943	
	Wheat Bus.	Wheat Flour and Other Products Lb.	Wheat Bus.	Wheat Flour and Other Products Lb.
Canada . . . . .	795,000	3,815,000	795,000	120,679
Other countries . . . . .	5,000	185,000	nil	nil

## TARIFF CHANGES AND TRADE REGULATIONS

### Iraq

#### SOAP REGULATIONS FURTHER SUSPENDED

Mr. Richard Grew, Canadian Trade Commissioner at Cairo, reports that certain Iraq regulations governing the manufacture and trading in soap, to which reference was made in *Commercial Intelligence Journal* No. 2013 (August 29, 1942), page 221, and which were later suspended up to March 22, 1943, have



been suspended for another year from that date. The suspension is in pursuance of a regulation of February 8, 1942, which stated that application of the specifications provided by the original law may be postponed when there is a scarcity of soap and prices advance to high levels.

## EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

### Nicaragua

H. M. Chargé d'Affaires in Managua, Nicaragua, writes under date July 14, 1943, that at present Nicaragua possesses ample exchange, and there is no difficulty in obtaining cover for any merchandise that arrives. Exchange regulations now in force in Nicaragua do not permit of payment in advance. Payment may, however, be effected once substantial proof is provided that the merchandise concerned has actually been shipped. Exceptions are sometimes made in cases of reliable firms to whom local banks are very occasionally allowed, at their own discretion, to sell exchange in advance.

### Peru

W. G. STARK, ACTING TRADE COMMISSIONER

Lima, August 9, 1943.—Dollar exchange is plentiful in Peru and sufficient to meet commercial payments regularly. The bank rate for the Peruvian sol remains steady at 6·485 soles to the United States dollar buying and 6·50 soles selling. Taking into consideration the official rates as between United States and Canadian dollars, approximately 5·85 soles equal one Canadian dollar, or one Peruvian sol is roughly equivalent to 17·1 Canadian cents. Although the exchange position is easy and some appreciation in the value of the sol could be achieved, there does not appear to be any intention at present of modifying current exchange rates.

There is no official import or exchange control in operation in Peru but, through a semi-voluntary system, Peruvian exporters, or banks acting on their behalf, hand over their foreign exchange to the Central Reserve Bank. The latter in turn allocates its exchange to the various commercial banks in a rough proportion between their normal dealings and present requirements. The Central Reserve Bank has accumulated a surplus of dollars and, although granted a \$10,000,000 credit in December, 1940, by the United States Export-Import Bank for currency stabilization purposes, it has not found it necessary to draw on this fund. Money is plentiful and collections are taken up promptly.

Transactions in currencies of those countries in this hemisphere that have not declared war on the Axis are now subject to restrictions. It is forbidden to buy or sell exchange of these countries unless to cover duly documented commercial transactions. The banks are permitted to handle other transactions up to the equivalent of approximately U.S.\$250, provided a written declaration is given by the client, addressed to the Superintendent of Banks, outlining the operation covered and affirming that no Axis national will receive any benefit therefrom. However, no limitations have been placed on United States dollar transactions with the countries mentioned.

### DOLLAR NOTES

According to a Supreme Decree of June 8, 1942, the importation and exportation of United States dollar banknotes is henceforth to be made exclusively by the Central Reserve Bank. All current holders of these were required to deliver them to the Central Bank prior to June 30, 1942, with a statement as to their origin. The only exception is in favour of passengers entering or leaving the country, who may bring in or take out up to \$100 in notes. No restrictions are placed on travellers' cheques or letters of credit, the decree being designed only to obviate the results of clandestine operations in dollar bills.



## TERMS OF PAYMENT

Regarding terms, it is recommended that Canadian exporters require cash against documents for their shipments and a letter of credit if the firm is not known to them. Ordinarily the latter arrangement is only accepted by importers under special circumstances but, due to the difficulty of obtaining goods from any source, traders are now more willing to comply. A considerable volume of business is still done on short-credit terms of 30 to 90 days, but acceptance of these conditions is only advisable when the exporter has full confidence in the consignee's ability to pay.

It is recommended that, when making quotations to Peruvian concerns, shippers in Canada quote in terms of United States dollars, since, according to the regulations of the Canadian Foreign Exchange Control Board, final payment must be effected in that currency. This prevents confusion between the official and unofficial rates for Canadian dollars in terms of United States funds, as well as ensuring that prices are quoted in the medium of exchange that is most commonly used in this market. If quotations are made in Canadian dollars, a clear indication should be given of the exchange allowances granted to convert these offers into United States currency.

## ALTERATIONS OF INTEREST RATES ON INTERNAL LOANS

Steps have recently been taken to reduce interest rates on various types of internal loans and on advances to agriculturists and industrialists for the exploitation of national resources. In a radio broadcast to the nation on July 11, His Excellency Dr. Manuel Prado, President of Peru, referred to the fact that the Central Reserve Bank has granted credit to the state banks at 3 and 4 per cent, thereby facilitating their financial operations. The Mortgage Bank has gradually reduced the interest on its loans from 10 per cent to 7 and 6 per cent and, at the request of the Government, has recently agreed to fix the rate for new loans at 5 per cent. The Agricultural Bank has been empowered to make loans for purposes of production and exportation at 5 and 4 per cent interest, substantially lower than the uniform rate of  $6\frac{1}{2}$  per cent ruling since the foundation of the institution more than ten years ago. Its new charter allows securities to be calculated within far broader limits than those formerly prescribed, and the term for return of the capital lent has likewise been lengthened, whereby the bank's operations have been facilitated.

Under its modified charter by Law 9811 of May, 14, 1943, the Industrial Bank has reduced its old rate of 6 per cent to 3 per cent when the capital sum loaned is under 10,000 soles; to 4 per cent for industries initiating the production of goods as yet not made in the country; and to 5 per cent in all other cases. The limits within which the bank may accept security have also been widened, and the terms for repayment of sums lent have been extended, all of which measures benefit the industrialization of the country.

The President of the Republic, in his message, explained the reasons for the Supreme Decree of July 10, 1943, by which the rate of interest on all internal government loans in excess of 6 per cent had been reduced to that percentage. The principal amount of those bonds outstanding at present is 47,659,900 soles, all of which is to be consolidated in a new issue to be called the "Deuda Interna Unificada 6 per cent" (Unified Internal Debt). The loans to which this decree refers are as follows:—

	Soles
8 % Bonds of the Republic—Law 6527.....	3,966,000
8 % Children's Hospital Bonds—Laws 6426-9008-8465-8499 & 4743.....	252,000
8 % Special Bonds Palace of Justice—Laws 8541-8642 (tax free).....	2,899,000
8 % Bonds of the Republic—Palace of Justice—second series—Law 8935 (tax free).....	2,413,000
8 % Postal Bonds—Law 4107.....	656,000
7 % Internal Consolidated Debt.....	33,085,500
7 % Workmen's Housing Bonds—Law 8851.....	932,000
$6\frac{1}{2}$ % School Buildings Loan—Law 9323—first series (tax free).....	3,456,400
Total .....	47,659,900

The principal of the United Debt is to be amortized at the rate of 2 per cent per annum. Dividends on the new issues will be paid at the end of March, June, September, and December each year and will be subject to taxes (14½ per cent), thus further reducing the income from the former bonds, the dividends on certain of which were tax free as indicated in the table above. Holders of the old bonds are urged to accept the new issue, but they may turn them in for payment at par until August 21, 1943, otherwise their holdings will be automatically included in the new issue.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING AUGUST 23, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, August 23, 1943, and for the week ending Monday, August 16, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Aug. 16	Nominal Quotations in Montreal Week ending Aug. 23	Official Bank Rate
Great Britain. . . . . Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. . . . . Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico . . . . . Peso	.4985	.2284	.2284	4
Jamaica . . . . . Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. . . . . Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2783	.2778	—
Brazil. . . . . Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana . . . . . Dollar	1.0138	.9313	.9313	—
Chile . . . . . Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. . . . . Peso	.9733	.6358	.6358	4
Venezuela . . . . . Bolivar	.1930	.3330	.3330	—
Uruguay. . . . . Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5862	.5873	—
South Africa. . . . . Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India. . . . . Rupee	.3650	.3359	.3359	3
Australia . . . . . Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. . . . . Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—



## CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

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Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

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**Annual Report of the Department of Trade and Commerce.**—A summary of the activities of each of its Branches, including the Foreign Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

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Canada, 1943. (Price 25 cents.)

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

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## BUSINESS CONDITIONS IN THE UNITED STATES, JANUARY-JUNE

D. S. COLE, SENIOR CANADIAN TRADE COMMISSIONER IN THE UNITED STATES

### I

New York, August 5, 1943.—During the first half of 1943 economic conditions in the United States continued to reflect the results of the country's enormous war program. With the exception of construction, all industries directly or indirectly connected with the war effort have shown substantial gains over a year ago. Outstanding production achievements were recorded by the shipbuilding and aviation industries.

The Federal Reserve Board's index of industrial production was estimated at 201 for June, slightly below the level for May but 14 per cent over the index of 180 for June, 1942. Other indications of substantial increases as compared with over a year ago are provided by the indexes for employment, payrolls, bank clearings and commodity prices. Farmers enjoyed an exceptionally large increase in income from farm marketings.

On the other hand, there has been a levelling off in total industrial production in the second quarter of this year, attributable to strikes, absenteeism, adjustments in war-production schedules, transportation difficulties, and shortages of materials. Despite increased government control over wages and prices, the cost of living has recorded a steady increase.

### WAR PRODUCTION

Although the index of munitions production, in which output of planes, ships, tanks, guns, ammunition and all campaign equipment are used as com-





ponents, stood at 580 for June as compared with 563 for May and 293 for June, 1942, both military and civilian authorities are not satisfied with the progress of the war effort on the home front. On a month-by-month basis, the record of the first six months of this year showed January to be up 7 per cent over December; February up 6 per cent over January; March up 9 per cent over February; April up 6 per cent; May, no gain; and June up 2 per cent.

At the close of June, the War Production Board announced that only 43 per cent of the total value of munitions requirements for the year had been produced and, if production goals are to be attained, industry in the last six months of 1943 must produce on a scale 30 per cent above the average monthly rate for the first six months.

The favourable trend of the war for the United Nations has necessitated a revision of the war program affecting industrial output. Instead of increasing demands from the Allies, there has been a reduction in lend-lease requirements. This has resulted in the closing of eight Army Ordnance plants in operation or under construction.

The immediate effect of the coal strikes that took place in May and June have been confined mainly to the coal and steel industries, although the resulting shortages will undoubtedly be felt by the industries using these products in large quantities.

Considerable success has been achieved in drawing small business into the war effort, and reports show that three-fifths of all small manufacturing plants are producing at least some war goods, and that 40 per cent of their combined output may be classed as war production.

#### STEEL INDUSTRY

Steel production in the United States for the first half of 1943 amounted to 43,866,912 net tons, the largest six-month output in the history of the country to date, as compared with 42,535,923 tons in the like period of 1942, a gain of 3.1 per cent; this result was achieved despite a marked decline in June production due to the coal strike. Open-hearth output totalled 38,758,525 tons as compared with 37,861,310 tons in the corresponding period of 1942. Bessemer production amounted to 2,848,007 tons in the 1943 period as against 2,798,914 tons in the like period of the previous year, while electric-furnace production totalled 2,260,380 tons as compared with 1,875,699 tons in the 1942 period. Operations for the first half of this year were at 97.9 per cent of capacity as against 96.8 per cent in the corresponding period of 1942.

For the first six months of 1943 total pig iron, ferromanganese and spiegel production was 30,343,443 tons as against 29,445,945 tons in the like period of 1942, an increase of 897,498 tons.

#### AVIATION

There has been a phenomenal expansion of air-transport and aircraft production in response to wartime requirements. The total output of the aircraft industry, including transport and combat planes, which amounted to \$280,000,000 in 1938, increased to \$1,800,000,000 in 1941 and to \$6,400,000,000 in 1942, and will reach \$20,100,000,000 this year. This compares with the peacetime peak output for the automobile industry of \$3,700,000,000 reported in 1941, but this industry is now producing more than that volume of war goods, including large quantities of aviation equipment. Aircraft production has been exceeding 7,000 planes monthly.

Air transport also has reached an unprecedented volume under the stress of wartime requirements. The Air Transport command of the United States Army Air Force alone is larger than all civilian and military air transport organizations

in the world before the war. This organization is performing scheduled world-wide operations that far exceed all previous air transportation of personnel and cargo, both as to route miles flown and loads carried.

### SHIPBUILDING

The United States shipbuilding industry has achieved a marked expansion in recent years, and in the first half of 1943 the nation's shipyards delivered 879 ships aggregating 8,818,622 deadweight tons, which was 133 ships more than the entire 1942 production of 746 vessels totalling 8,089,732 deadweight tons.

### CONSTRUCTION

According to the F. W. Dodge Corporation, the value of total construction awards in the 37 Eastern States for the first six months of 1943 totalled \$1,851,272,000 as compared with \$3,723,725,000 in the corresponding period of 1942, a decline of 50 per cent. Non-residential construction was valued at \$752,590,000 as against \$1,625,880,000 in the like 1942 period, a decrease of 54 per cent. Residential building totalled \$481,126,000 as compared with \$985,580,000 a year ago, a decline of 50 per cent. Public works contracts declined by 53.9 per cent, from \$604,036,000 to \$278,453,000 in the first six months of this year, and those for utilities from \$508,229,000 to \$340,103,000.

### MANPOWER

Manpower has continued to be one of management's major problems, and the situation apparently will become more acute as additional millions of workers are taken from civilian industries into the armed forces and essential war production. Recent estimates of manpower requirements indicate that geographical transfers of workers may become necessary on a larger scale than expected, due to the fact that the expanding requirements of war industries are largely concentrated in critically stringent local labour markets. It is anticipated that 3,600,000 additional persons will be needed—2,000,000 for the armed forces and 1,600,000 for war industries. These additions will bring the total strength of the armed services to 11,300,000 by July, 1944, and will raise the number employed in war industry to 11,600,000. Thus the nation's total requirements will be increased from the present 64,600,000 to 65,900,000.

In industries serving civilian needs the increases in requirements for workers in some divisions is expected to be more than offset by declines in others. In the next twelve months there will be a probable decline of 2,250,000 employees in these industries, concentrated chiefly in trade, service, construction, and miscellaneous non-manufacturing industries. On the other hand, labour requirements in agriculture, food industries, textile and clothing, and leather products will probably remain unchanged.

### AGRICULTURE

The Department of Agriculture crop report as of July 1 indicated that generally good yields on the largest acreage in 11 years were expected. The aggregate crop production in 1943 seems likely to be about 114 per cent of the 1923-32 average as compared with the phenomenal showing of 126 per cent in 1942. Growing conditions appear to be favourable in all except a few states. The decreases in this year's crops are attributed to the late spring, floods, and readjustment under wartime conditions.

## FARM INCOME

The Bureau of Agricultural Economics reports cash farm income, including government payments for the January-May period of 1943, at \$6,788,000,000 as compared with \$5,103,000,000 in the like period of 1942, an increase of 33 per cent. Government payments for the first five months of this year totalled \$376,000,000 as against \$389,000,000 in the corresponding period of 1942, a decline of 3.3 per cent. Income from farm marketings totalled \$6,412,000,000, a gain of 36 per cent over the 1942 five-month total of \$4,714,000,000. Income from crops was up 46 per cent, while income from live stock and live-stock products recorded a gain of 31 per cent. Although substantial increases were recorded for nearly all commodities, the returns from oil-bearing crops, tobacco, and poultry and eggs showed exceptionally large gains.

## WHEAT

The United States production of all types of wheat from the 1943-44 crop year is estimated at 790,823,000 bushels, or 19.3 per cent below the 981,327,000 bushels produced during the previous crop year and slightly over the ten-year (1932-41) average of 738,412,000 bushels.

All winter wheat production is estimated at 519,190,000 bushels—26 per cent below the 1942 crop of 703,253,000 bushels and 5.6 per cent below the 1932-41 average of 580,181,000 bushels. The acreage for harvest is estimated at 33,859,000 or 5.1 per cent under the 1942 acreage. The yield per acre is placed at 15.3 bushels as against 19.7 bushels for the 1942 crop.

Spring wheat production, including 32,549,000 bushels of Durum wheat, is placed at 271,633,000 bushels as compared with 278,074,000 bushels in the previous year, a decline of 2.5 per cent. Spring-wheat yield is expected to be close to 17 bushels per acre as against 20.2 bushels for the 1942 crop.

Stocks of old wheat on farms on July 1, 1943, amounted to 190,034,000 bushels, a new high, and were 16 per cent greater than the previous high record of 163,700,000 bushels on July 1, 1942.

## CORN

The production of corn on July 1, 1943, was estimated at 2,706,552,000 bushels, which is 15 per cent smaller than the record 1942 crop of 3,175,154,000 bushels but 357,000,000 bushels over the ten-year (1932-41) average of 2,349,267,000 bushels. The acreage of corn is estimated at 94,297,000, or almost 5,000,000 above the 1942 harvested acreage of 89,484,000. However, the 1943 yield is placed at only 28.7 bushels per acre as against 35.5 bushels per acre in 1942.

The stocks of corn on farms on July 1, 1943, were placed at 812,692,000 bushels, or 51,329,000 bushels over the July 1, 1942, stocks of 761,363,000 ago, while the increase in prices of farm products has been less severe.

## COTTON

The Department of Agriculture, in its first report of the season, estimated the cotton area in cultivation on July 1 at 21,995,000 acres, or 5.6 per cent less than the 23,302,000 acres planted in the 1942-43 season. After allowing for normal abandonment, the harvested acreage will approximate 21,576,000 acres, the smallest in 48 years, as compared with 22,660,000 acres in the 1942-43 season. With a yield of about 245 pounds of cotton per acre, a crop of approximately 9,500,000 bales may be anticipated as against last year's average crop of 12,824,000 bales.



## IRISH BRUSH-MAKING INDUSTRY

E. L. McCOLL, CANADIAN TRADE COMMISSIONER

Dublin, July 31, 1943.—Brush-making in this country is at least 100 years old; it flourished steadily until the period following the first World War. A demand had arisen that resulted in an expansion of this industry in European and Far Eastern countries, but in the post-war period local factories were unable to hold the trade against competitors who had the advantage of cheaper labour.

In order to arrest falling production and in pursuance of the national policy of fostering native industry, a duty of 50 per cent ad valorem, with a preferential rate of  $33\frac{1}{3}$  per cent for British Empire products, was imposed on April 23, 1932, on "brushes, brooms or mops and component parts, excluding apparatus used for household cleaning by means of suction and their component parts; brush broom or mop handles or stocks not forming part of complete brushes, brooms or mops at importation and not wholly or partly of wood; component parts of mops made wholly of metal". This measure was only partly successful, as foreign governments were subsidizing their exports. This fresh difficulty was, however, countered by the introduction, in March, 1936, of an import quota for certain brushes, brooms, and mops. Trade increased, many new lines were developed, and costs were reduced owing to a larger turnover. There are at present about a score of brush factories in Ireland, most of which are located in the neighbourhood of Dublin.

### RAW MATERIAL

This progressive improvement continued up to the outbreak of the present hostilities, when the supply position of the brush-making industry immediately became precarious, because the greater proportion of the raw material used was of foreign origin. Hog bristles of various qualities had been imported principally from China, but also from Russia, Poland, and India. Horsehair was obtained from some of these countries, as well as from Australia and South America. Vegetable fibres, which make up a large part of the material used, were purchased in Africa, India, Mexico, and South America. As some of these goods are of a bulky nature, their transportation became difficult and expensive. At present the importation of these commodities has practically ceased, and manufacturers are restricted largely to accumulated stocks and supplies of domestic horsehair. Attempts have been made, so far without success, to utilize the bristles of the Irish pig. Native woods are being used entirely in place of large quantities of foreign hardwood, and the wire used is obtained principally from Great Britain. Specially blended pitch is purchased through United Kingdom agents, as is the rubber cement for paint brushes.

### CANADIAN HANDLES

Canada enjoyed a good export trade to this country in wooden handles and ferrules until shipping restrictions became serious. Canadian manufacturers are still supplying these goods, which, although greatly reduced in quantity, are of excellent quality. Before the outbreak of war these Canadian goods reached Ireland through Great Britain and were thus recorded as imports from that country; under present circumstances import figures are not issued for publication.

### IMPORTS OF RAW MATERIALS, ETC.

Bristles and undressed fibres for brush-making are admissible duty free from all countries. From May 11, 1933, "dressed bass, dressed fibre, a mixture or combination of dressed bass and dressed fibre, a mixture or combination of

dressed hair and dressed fibre, or a mixture or combination of dressed bristle and dressed hair" were dutiable at 50 per cent ad valorem, with a preferential rate of 33½ per cent for British Empire products, but the duties were temporarily suspended as from July 1, 1942, the present period of suspension expiring on October 31, 1943.

The following figures show the imports of raw materials for the years 1936, 1937, and 1938:—

*Imports of Materials for Brush-making not liable to Duty*

	1936 Cwt.	1937 Cwt.	1938 Cwt.	1936 £	1937 £	1938 £
Bristles—						
Great Britain . . . . .	....	7	2	5	340	42
Poland (including Danzig)	21	103	30	668	5,307	1,192
China (excl. Hongkong) ..	264	240	272	4,682	4,264	6,236
Other countries.. . . .	41	61	64	1,408	2,885	3,730
Total . . . . .	326	411	368	6,763	12,796	11,200
Fibres, undressed—						
Great Britain . . . . .	268	136	30	303	238	113
Hungary . . . . .	3,546	4,301	4,300	3,433	3,225	2,940
Ceylon and dependencies..	745	1,203	1,255	772	1,093	1,196
British West Africa . . .	3,676	3,349	3,324	3,560	4,265	3,448
Argentina.. . . .	3,401	1,648	....	2,692	1,251	....
Brazil.. . . .	892	669	712	1,208	1,166	1,049
Mexico.. . . .	721	872	1,088	1,648	1,903	2,476
Other countries.. . . .	1,595	1,580	1,265	1,535	2,115	1,488
Total . . . . .	14,844	13,758	12,034	15,151	15,256	12,710

*Imports of Brush-making Materials liable to Duty*

	1936	1937	1938	1936	1937	1938
Great Britain . . . . .	59	92	58	385	566	392
Other countries.. . . .	410	603	396	860	1,364	942
Total . . . . .	459	695	454	1,245	1,930	1,334

FACTORS AFFECTING PRODUCTION

Successful efforts have been made by the brush-makers to retain their full staffs by training personnel in the preparation of national primary materials and in the salvage of much that normally would have been considered as waste. Restriction in the use of gas, electricity, coal and other necessary fuels are among the difficulties with which the industry has had to contend.

MARKETS FOR IRISH GOODS

Before the outbreak of war local brush-makers supplied the home market as well as a portion of Northern Ireland's requirements; there were also some shipments to Great Britain. Following are the export figures for the years 1936 to 1938, which, owing to wartime regulations, are the latest available.

*Exports of Brushes and Brooms*

	1936 Doz.	1937 Doz.	1938 Doz.	1936 £	1937 £	1938 £
For household use—						
Great Britain . . . . .	780	752	473	518	470	352
Northern Ireland . . . . .	7,122	5,237	3,878	4,676	3,423	2,449
Other countries.. . . .	304	170	202	279	179	221
Total . . . . .	8,206	6,159	4,553	5,473	4,072	3,022
Other sorts—						
Great Britain . . . . .	118	59	77	71	27	46
Northern Ireland . . . . .	461	465	192	273	194	115
Ceylon and dependencies..	....	....	3	....	....	1
Total . . . . .	579	524	272	344	221	162

## IMPORT RESTRICTIONS

Processed materials were in most cases liable to duty (where no remission was granted under licence) until 1942, when the Government, in order to encourage the accumulation of stocks, decided to abolish all restrictions. The importation of manufactured brushes and brooms was subject to a quota from March 9, 1936, until June, 1942. These regulations were then suspended to permit imports from all available sources and, to conserve supplies, an order was issued in October, 1943, under the Emergency Powers Act, 1939, which prohibited export except under licence.

The following figures show the imports of brushes and component parts for the years 1936 to 1938:—

*Imports of Brushes liable to Duty as Such*

	1936 Doz.	1937 Doz.	1938 Doz.	1936 £	1937 £	1938 £
For household and office use—						
Great Britain . . . . .	13,777	3,530	4,287	4,438	2,032	2,030
Northern Ireland . . . . .	10	29	26	6	12	11
Belgium . . . . .	15,127	4,781	2,318	2,343	952	550
Other countries . . . . .	3,410	475	469	610	286	243
Total . . . . .	32,324	8,815	7,100	7,397	3,282	2,834
For toilet use—						
Great Britain . . . . .	23,062	5,200	4,181	7,711	3,347	2,758
Japan . . . . .	4,586	1,120	612	624	208	315
Other countries . . . . .	6,983	2,978	3,184	1,564	396	294
Total . . . . .	34,631	9,298	7,977	9,899	3,951	3,367
For decorators', painters', etc., use—						
Great Britain . . . . .	17,624	8,773	1,954	4,460	3,529	3,309
Other countries . . . . .	3,053	1,962	2,083	179	110	165
Total . . . . .	20,677	10,735	10,037	4,639	3,639	3,474
For other uses—						
Great Britain . . . . .	8,455	1,941	1,026	2,173	588	340
Other countries . . . . .	17,548	4,500	1,819	389	150	197
Northern Ireland . . . . .	9	2	....	5	1	1
Total . . . . .	26,012	6,443	2,845	2,567	739	538

*Imports of Component Parts*

	1936 £	1937 £	1938 £
Great Britain . . . . .	1,063	1,660	1,369
Northern Ireland . . . . .	334	241	230
Germany . . . . .	1,497	1,725	2,916
Japan . . . . .	513	2,378	5,402
Other countries . . . . .	344	626	792
Total . . . . .	3,751	6,630	10,709

## SUPPLIES OF MACHINERY

The machinery in use which is principally driven by electricity, came chiefly from Great Britain, the United States, and Germany. In latter years the German machines were favoured, largely on account of the promptitude with which spare parts and new equipment were delivered.

## PRODUCTION

The gross output of all varieties of brushes, including agricultural, domestic, toilet, paint, technical, trade, etc., for the years 1940 and 1941, and the materials used in the industry, are shown in the following tables.



*Production of Brushes and Brooms*

	Quantity		Net Selling Value	
	1940 Doz.	1941 Doz.	1940 £	1941 £
Household and domestic brushes and brooms, twigs and American whisks ....	23,445	8,879	25,339	9,772
Other .....	172,587	139,217	76,410	83,838
Toilet .....	79,969	78,670	25,189	28,974
Painters' and decorators' .....	58,779	49,491	33,626	28,969
All other products (mops, machinery brushes, special brushes, etc.) .....	....	....	10,057	13,723
Charges for refilling and repairing customers' brushes .....	....	....	452	552
Total value .....			171,073	165,828

*Production of Materials used in the Brush Industry*

	1940 Lb.	1941 Lb.	1940 £	1941 £
Bristles .....	48,393	38,926	17,018	19,432
Horsehair, fibre, and broomcorn .....	....	....	18,400	13,063
Piassava .....	4,003 Gross	3,102 Gross	6,758	6,703
Brush stocks .....	28,918	24,461	21,850	24,530
Other materials (timber, cotton, pitch, etc.) .....	....	....	12,139	12,461
Total value .....	....	....	76,165	76,189

## POST-WAR DEVELOPMENT

In common with other manufacturers, the brush-making firms look forward to a period of free development after the close of hostilities, when the present difficulties and restriction affecting international trade have been removed.

As the flow of raw material recommences, and as it becomes once more possible to renew machinery and equipment, this industry should continue to expand, and, with its surplus production above that required for local requirements, should be in a position to establish an important export trade.

## CIVILIAN SUPPLIES IN NORTHERN RHODESIA

H. L. BROWN, CANADIAN TRADE COMMISSIONER

Johannesburg, July 17, 1943.—On March 1, 1942, the Government of Northern Rhodesia appointed a Director of Civil Supplies and thus established the Supplies Department. Prior to that date all supply questions were dealt with by the financial side of the Secretariat. The Financial Secretary continues as chairman of the Supplies Board and is the member of the Executive Council who is responsible for supply matters. Several Commodity Controllers have been appointed, and the allocation of work among them has been arranged on the basis of the thirteen main classes of the customs tariff. This organization is at Lusaka, Northern Rhodesia, and Supplies Representatives have been appointed at Johannesburg (South Africa) and Salisbury (Southern Rhodesia) for the procurement of supplies from these neighbouring countries.

## SUPPLIES FROM SOUTHERN AFRICA

The main task of compiling shipping tonnage for essential requirements during 1943 has been complicated by the fact that in many instances commodities are normally obtained partly from overseas and partly from or through Southern Rhodesia and the Union of South Africa. As both these countries are also experiencing shortages, it has been difficult to determine what proportions would continue to be supplied by them. A general assurance has been obtained that they would continue to supply such quantities as circumstances would

permit but, as conditions are constantly changing, no guarantee covering any lengthy period can be expected.

General policy up to the earlier months of this year was to import direct that proportion previously obtained in this manner and to rely on Southern Rhodesia and South Africa for the proportion previously supplied by those countries. However, there has been a rapidly growing tendency during the past few months to purchase more and more of the requirements of Northern Rhodesia on government account by direct importation and, therefore, to rely less and less on re-exports from the southern neighbours. In some instances orders on Canada have been placed direct or sponsored on commercial account by the Northern Rhodesia authorities for total requirements over a stated period. This development has resulted from the fact that Southern Rhodesia and South Africa are finding it increasingly difficult to obtain sufficient supplies to meet their own requirements. At the same time it is hoped to save shipping space by Northern Rhodesia's continuing to obtain articles normally processed or manufactured in those territories from imported materials and subsequently re-exported to Northern Rhodesia in preference to importing the manufactured article direct from overseas. Where such special arrangements have been made, direct importation into Northern Rhodesia will be restricted in proportion.

The change of policy is thus being put into effect under which, apart from the important exceptions noted, Northern Rhodesia will endeavour, wherever possible, to have the whole amount imported direct. The Department of Civil Supplies is already planning and placing orders on this basis. This change has in certain instances been the result of advice by the appropriate South African or Southern Rhodesian Controller that the adoption of procurement by direct importation is desirable because the shortage of supplies will prevent re-export to Northern Rhodesia even if shipments are received of goods normally re-exported.

#### SUPPLIES FROM OVERSEAS

The general principle has been laid down that the requirements of Northern Rhodesia shall be obtained in accordance with past procedure, but this arrangement is, of course, subject to import and exchange control regulations\* which, for example, do not permit imports from Canada except in special instances, such as when essential goods are unobtainable in the sterling area. The basis on which shipping tonnages have been allotted for the United Kingdom Ministry of War Transport provides for importations in accordance with normal trade procedure. Minimum figures have been allotted to cover direct importations of goods previously obtained on that basis, and maximum tonnages have been granted which will be taken up by direct imports only if Southern Rhodesia and South Africa are unable to supply. The tonnage figures are submitted to the British Colonies Supply Mission in Washington, D.C.

The method of obtaining goods from overseas falls into three categories: lend-lease, government account and commercial purchase. The policy is for commercial purchasing to continue, and goods will be obtained on government account (except under lend-lease) only when this is the sole satisfactory method or is required by the exporting country. Essentiality certificates, therefore, are issued up to the total minimum tonnage of essential requirements which have been included in the shipping program and a sufficiently high rating is given to ensure, as far as possible, that shipping space will be allocated. The Director of Civil Supplies may require importers to report the arrival of goods and may require that the goods be distributed according to his instructions; certain essentiality certificates are endorsed to that effect.

Plans have been under serious consideration, in conjunction with the Associated Chambers of Commerce, for the establishment of a central com-

\* A report entitled "Import and Exchange Control in Northern Rhodesia" was published in *Commercial Intelligence Journal* No. 2001 (June 6, 1942), page 617.



mercial organization for dealing with bulk orders. No such organization has yet been actually set up to handle bulk business, but an advisory committee is now operating which assists the Supplies Department to compile and distribute territorial bulk orders on government account. Whenever commercial bulk orders are practicable, this committee recommends the issue of the necessary licence, but individual licences are refused when the bulk order for the commodity concerned has been placed or is under consideration. Licences issued prior to this arrangement remain operative unless the Government of the country concerned is otherwise notified. Purchases from Canada are made in accordance with whichever procedure is justified by past trade practices or by present availability of supplies.

#### SPECIFIC COMMODITY ARRANGEMENTS

*Foodstuffs for Natives.*—Considerable difficulty has been encountered in maintaining essential supplies of foods for natives, but efforts are being made to bring relief and to enable relaxation of rationing.

*General Foodstuffs.*—The bulk of the requirements of foodstuffs in general is obtained from Southern Rhodesia and South Africa, and essentiality certificates for overseas imports are issued for only a limited tonnage.

*Drugs.*—The importation of essential drugs and medicines from overseas is dealt with by the Director of Medical Services on government account.

*Paper.*—To meet the needs of local commercial printers, the Government has entered into a contract for a quantity of paper manufactured in South Africa.

*Textiles.*—Supplies of textiles are short in South Africa, but a quantity is released quarterly for bulk orders; the same procedure applies to rope. Cotton piece-goods are obtained for commercial account on a quota basis from Southern Rhodesia, the United Kingdom and India.

*Leather.*—Piece leather is released from South Africa.

*Rubber.*—The importation and sale of rubber goods is subject to the Rubber Control Advisory Committee at Kitwe. Tires and tubes are obtainable from South Africa only, and permits to purchase are issued by the Controller under a system of priority ratings. A tire retreading plant has been established at Ndola.

*Glass Bottles.*—South Africa has released a quota of bottles and crown corks.

*Iron and Steel.*—Unmanufactured and semi-manufactured iron and steel, such as screws, wire, netting, bolts and nuts and many other such types, are not available from the United Kingdom but can be obtained from the United States in suitable circumstances against bulk orders by the Government if programmed in advance. Shipments of flat sheet iron and piping have been arranged under lend-lease, and it is hoped to obtain nails from Southern Rhodesia and to replace the nail wire to Southern Rhodesia by a lend-lease order.

*Agricultural Machinery.*—Orders for requirements of agricultural machinery from the United Kingdom and the United States for 1943 have been submitted to the Secretary of State and the British Colonies Supply Mission.

*Motor Trucks and Vanettes.*—These may be purchased from overseas by the Government only. Orders for automobile spares have been placed in the United States by three importers, with government approval. The battery position is reported to be critical.

*Radio Equipment.*—Orders on the United Kingdom continue to be placed through commercial channels. Orders on the United States will be bulked and purchases made on government account.

*Bicycles.*—Some bicycles are obtained through Southern Rhodesia, and some have been ordered direct.



## NEW ZEALAND TIMBER TRADE

C. B. BIRKETT, ACTING TRADE COMMISSIONER

Auckland, July 14, 1943.—According to the Annual Report of the Director of Forestry for the year 1943, the cut of timber in New Zealand for the year ended March 31, 1942, was 324,473,000 bd. ft., which compares with 342,208,000 bd. ft. in the previous year and represents a reduction in quantity of approximately 5 per cent. The reason given for this reduced cut in face of increased demands for timber is the serious loss of experienced men to the armed forces. By working longer hours, with additional men released from the services in the past year, it is estimated that the cut for the year ended March, 1943, will reach 350,000,000 bd. ft.

Largely owing to a much increased demand for boxing and crating timber for the packing of export produce, the cut of insignis pine in 1941-42 rose to 56,247,000 bd. ft., an increase of some 3,000,000 bd. ft. over that for the previous year. The cuts of other principal timbers with comparative figures for 1940-41, are as follows: beech 9,327,000 bd. ft. (9,326,000 bd. ft.); rimu, 192,609,000 bd. ft. (204,273,000 bd. ft.); matai, 18,672,300 bd. ft. (22,391,669 bd. ft.); totara, 10,456,300 bd. ft. (12,980,200 bd. ft.).

### HEAVY DEMAND

The demand for timber for defence works, both in the Dominion and in the South Pacific area, continues at a high level and has created serious problems for the industry, chief of which has been that of manpower. Estimated stocks of building timbers as of March 31, 1943, were not more than 20 per cent of normal. To ensure supplies for essential work, building permits for dwellings were kept to a minimum, and strict control was maintained over prices. According to the Government Statistician, the average values per 100 bd. ft. of all species ex mill for the last four years for which records are available were as follows: 1938-39, 18s. 6d.; 1939-40, 19s.; 1940-41, 19s. 3d.; 1941-42, 20s. 1d.

### IMPORTS

The procurement of timber from abroad during 1942, owing to conditions of shorter supply and prior demands in countries of export, plus an unfavourable shipping situation, was more difficult than in 1941. Therefore a reduction in New Zealand's imports from 14,499,000 bd. ft. in the calendar year 1941 to 8,447,000 in 1942 is understandable. Supplies of Douglas fir from North America have improved slightly in respect of large-dimension merchantable grades, but the Forestry Service reports an urgent need for greater stocks of No. 2 clear and better grades. Details of imports of sawn timber during the calendar years 1941 and 1942 are shown in the following table:—

*New Zealand Imports of Sawn Timber*

	1941		1942	
	Ft. B.M.	£	Ft. B.M.	£
Hardwoods—				
Australian hardwoods.. . .	9,815,000	160,800	6,637,000	136,200
Oak.. . . . . . . . . . . .	788,000	21,300	Nil	Nil
Total.. . . . . . . . . . .	10,603,000	182,100	6,637,000	136,200
Softwoods—				
Douglas fir.. . . . . . . . .	2,122,000	24,200	1,151,000	18,700
Redwood.. . . . . . . . . .	1,528,000	35,500	Nil	Nil
Total.. . . . . . . . . . .	3,650,000	59,700	1,151,000	18,700
Other.. . . . . . . . . . . .	246,000	13,300	659,000	40,800
Grand total.. . . . . . . . .	14,499,000	255,100	8,447,000	195,700

*Note.*—Value represents value in country of export plus 10 per cent, expressed in terms of New Zealand currency.

According to statistics received each month from the State Forest Service, the imports of Douglas fir shown in the foregoing table are all from Canada, in fact it would appear that the figure for 1942 is short by some 200,000 bd. ft. In addition to Douglas fir the records show 27,852 bd. ft. of cedar and approximately 81,000 bd. ft. of other timbers imported from Canada in 1942.

### EXPORTS

Exports of all species of timbers from New Zealand in 1941 and 1942 were 19,066,000 bd. ft. valued at £220,600 and 7,548,000 bd. ft. valued at £96,032 respectively. All went to Australia and comprised mainly rimu and insignis pine in the ratio of about 5 to 1. The Forest Service reports that a release of 13,000,000 bd. ft. to Australia in 1942 was authorized in exchange for essential supplies of sleepers, poles, etc. but, owing to a shortage of shipping, only 7,548,000 bd. ft. were exported.

### FOREST UTILIZATION

The following item of interest on forest utilization in New Zealand is from the report of the State Forest Service:

"The basic problem of new Zealand forest utilization is the replacement of indigenous by exotic timber wherever practicable. Of the current annual cut of all sawn timber, amounting to about 350,000,000 bd. ft., about 50,000,000 bd. ft. is exotic softwood, but if the post-war demand should reach 450,000,000 bd. ft., as appears not unlikely, then the whole of the extra 100,000,000 bd. ft. should be supplied in exotic softwood. Assuming, however, that the annual cut is sustained at the 450,000,000 bd. ft. level for a decade, the indigenous timber content should decrease to 200,000,000 bd. ft. and the exotic rise correspondingly to 250,000,000 bd. ft., but such a development will depend primarily upon the almost universal adoption of log-gang or modern bandsawing equipment for the conversion of logs into sawn timber, of kiln drying even for scantling and framing timber, and of preservation by pentachlorophenol or similar chemicals of the kiln-dried timber. By these means waste will be reduced to a minimum and costs likewise reduced, while an infinitely superior article to the indigenous timber now marketed will be supplied. No longer will timber shrink and crack, no longer will framework distort, and no more will homes suffer from insect and fungal attack if properly maintained."

## NEWFOUNDLAND'S NUTRITIONAL PROBLEMS

R. P. BOWER, ACTING TRADE COMMISSIONER

St. John's, August 21, 1943.—Nutritional problems have long been a matter of concern to the authorities and the medical profession of Newfoundland. Since the population is scattered and there is a large number of isolated communities, not only is it difficult to provide adequate medical service, but it is almost impossible for large sections of the population to obtain a varied diet.

Low purchasing power has also been responsible for a large portion of the population having to subsist on an inadequate diet, while a lack of knowledge of proper food selection has resulted in many people having adopted wrong dietary standards.

At the 1942 Convention of the Newfoundland Medical Association, a Council of Nutrition was appointed to study and report upon the possibilities of improving the eating habits of the Newfoundland people, so as to increase their vitamin consumption and provide a more balanced diet. The Council recently submitted a report to the Commissioner for Public Health and Welfare, in which it is



stated that, based upon the results of scientific investigation conducted by various members of the Council in different parts of the country, serious cases of malnutrition were encountered.

An outline of the Newfoundland nutritional problem was summarized by the Council as follows:—

1. In a typical population group 70 per cent were found to be below the satisfactory blood vitamin C levels, and 70 per cent exhibited symptoms related to B complex deficiency.

2. The typical dietary, while adequate in terms of calories, is quite inadequate in terms of vitamins, and a great deal of this inadequacy is due to improper preparation of food. On this basis it would be quite possible to provide an adequate dietary which would fail of its purpose by improper methods of preparation.

3. With the average type of food now available, dietary deficiencies may be predicted with accuracy.

4. The dissemination of dietary information and instruction as to improvement in food supplies is complicated by the isolation of many communities and the lack of transportation and storage facilities, as well as by a very low standard of living and education in practical dietetics.

5. The mere dissemination of dietary information is not enough; a carefully planned campaign designed to raise the living standard should be put into operation. This campaign should utilize existing agencies to the full, such as the Public Health Nursing Division; the Agricultural Co-operative Officers; Adult Educational Staff; W.P.A.; and Jubilee Guilds. Perhaps the most fruitful results will be in the educational field and will in time pay the highest dividends. It is suggested that a primer on nutrition be adopted for general use in all the schools in the island and that a more advanced knowledge of nutrition be an essential part of the school-leaving certificate work. In certain areas an intermediate text would need to be adopted where the educational facilities were more limited.

6. The necessity for continued scientific research in the nutritional field is emphasized and a careful study of local, and a list of sources of imported, food should be made and preferential treatment be accorded them in tariffs. Flour should be a national flour and enriched.

7. The problem is sufficiently acute for the creation of a full-time division of the Department to make necessary investigations and take any preventive or remedial steps required.

8. As the situation is studied, it becomes apparent that the Nutritional Council will bear the relationship to this campaign that reconnaissance bears to a military campaign. Tactical moves are really the concern of the Government.

With the shortages of food arising from the war, and the consequent difficulty of obtaining many of the usual staples, e.g. salt beef and pork, the Council feared that the dietary standards might be lowered still further and the country be threatened with a crippling outbreak of deficiency diseases, with the virtual certainty of a rise in the incidence of beri beri and the mortality rate from this condition. In the past Newfoundland had access to unlimited supplies of salt pork and salt beef, which have a high fat content. Nutritionists are not agreed that these are the best fat or protein sources, but they do provide a high fat intake for the population. One reason why beri beri has not been the scourge it might have been in Newfoundland has been the general consumption of so-called brown flour and the high fat content of the diet of the people.

Two sets of recommendations have been submitted, one by the entire Council of Nutrition and another by a particular section of the Council that is known as the Bonne Bay Group.



## RECOMMENDATIONS BY THE BONNE BAY GROUP

The recommendations submitted by the latter are under two heads: (1) Practical and Immediate, and (2) Long-range Planning, as follows:

## PRACTICAL AND IMMEDIATE

- (a) Increased use of brown or reinforced flour.
- (b) More widespread use of local berries and fruits: raspberries, gooseberries, blueberries, partridge berries, bake apples.
- (c) Cultivation of a wider variety of vegetables. The feasibility of growing soy beans should be fully investigated.
- (d) Encourage use of powdered milk and irradiated or fortified milk, especially among children and expectant mothers.
- (e) Use of cod liver oil by every child.
- (f) Use of concentrated citrus fruit juices and encouragement by the Government of the import of citrus fruits.
- (g) Increased use of fresh fish, especially salmon, herring, and cod and cod livers.
- (h) Increased use of fresh meats.
- (i) Investigation of vitamin C content of available fruits and vegetables, and attempts by the Department of Agriculture to increase the acreage of these foodstuffs. Extraction of vitamin C from pine or spruce needles, using Russian methods.

## LONG-RANGE PLANNING

- (a) Educational projects to teach people the proper uses of available foods.
- (b) Formation of clubs among young people somewhat along the lines of 4H Clubs in the United States. Might be included in the same work of Boy Scouts and Girl Guides (See Junior Garden Club policy of Department of Natural Resources).
- (c) Community co-operative lockers for quick freezing of fresh vegetables.
- (d) Establishment of co-operative lockers for refrigeration, chiefly for meat.

## RECOMMENDATIONS BY THE NUTRITIONAL COUNCIL

Following is a summary of a report and of recommendations submitted by the Nutritional Council:

1. Newfoundland, in common with such countries as Great Britain, Canada and the United States, finds, superadded to normal dietary problems, those created by the experiences of a world at war and with sources of supply and distribution of supplies radically interfered with.

2. As a result of careful scientific investigation of dietary and nutritional conditions in widely separated portions of the country, plus general knowledge available to local health authorities, it is plain that a considerable proportion of the population is ill-fed and undernourished. There is reason to fear an outbreak in the near future of such conditions as beri beri and others equally grave although clinically more obscure and on a material scale of incidence.

3. The situation, present and prospective, most certainly requires early, preventive and remedial attention.

4. The situation is obviously one that has been to a considerable extent recognized by informed observers, both lay and professional, official and otherwise, and certain rather isolated efforts have been made to cope with it. It is now urged that conditions being fully surveyed, all such efforts should be closely co-ordinated for active and systematic participation in any policy of improve-

ment decided upon. Whether consideration heretofore in mind in this connection has been of an economic, health or purely educative nature, it is plain that all departments and persons concerned have been working towards the ideal the Council on Nutrition has now in mind. Union of these forces is calculated to speed the realization of these efforts.

5. Intensive and persistent propaganda efforts are required to educate our people on nutritional matters. The facilities of the three most interested departments fortunately place us in immediate possession of outstanding advantages in this connection. Others can readily be developed as the program adopted is made effective.

6. It should be suggested that the most effective approach to the people would be under the auspices of the Nutritional Council of the Newfoundland Medical Association, thus probably immediately removing certain prejudices usually inherent in this country to a purely official undertaking. Plainly every possible effort should be made to maintain such an important public service undertaking on a scientific plane.

7. Certain necessities are immediate; they cannot wait upon the results of long-term propaganda.

8. An immediate effort should be made to place at the disposal of our people adequate supplies of suitable flour and to induce its general acceptance and use by the consumer.

9. Intensive efforts should be begun without delay to induce our people to cultivate land available to them and to raise supplies adequate for home consumption of vegetables of ordinary production, as well as allied varieties, in the season now approaching. This might be launched as "Victory Gardens", now so common elsewhere. Similarly the advisability should be emphasized of an adequate garnering for household purposes of wild fruits that will be available during the coming summer and autumn.

10. Too much emphasis cannot be laid down upon the advisability and necessity for fuller utilization by our people of supplies of seafood so readily and cheaply available to the majority of them.

11. The observations and recommendations of the Council on Nutrition in respect of a long-term policy require further study, which is now being undertaken. In due course the results of these investigations will be forwarded with necessary recommendations based thereon.

12. It is estimated that a sum of \$10,000, will be required to finance propaganda for the most part, although some further research into problems under consideration may also be made possible by this provision.

## AUSTRALIAN TRADE AND ECONOMIC NOTES

K. F. NOBLE, ACTING TRADE COMMISSIONER

### Australian Production of Tobacco

Sydney, July 3, 1943.—A production target of not less than 6,500,000 pounds of Australian tobacco for 1943-44 has been fixed by the Production Executive. Before the outbreak of war, 96 per cent of the tobacco smoked in Australia was imported from America, and cultivation in this country is being encouraged to save shipping space and conserve overseas credit. Sales by auction have been replaced by the appraisement method.

In 1941-42 the local tobacco production rose to 6,700,000 pounds as compared with imports of 12,600,000 pounds, but the 1942-43 crop was reduced through disease to 4,200,000 pounds. It is considered likely that production

will be restored to record levels in the coming season and will increase in later years.

### **Establishment of Food Executive**

The establishment of a Food Executive has been announced by the Prime Minister of Australia. The chairman is the Minister of Supply and Shipping, while the Executive also includes the Ministers of Commerce and Agriculture and of War Organization of Industry. Officers of the Executive are the Director-General of Agriculture and the Controller of Defence Foodstuffs.

The new body, in association with various state departments, will undertake the organization of the production and distribution of food supplies in Australia, to meet not only the Australian military and civil needs but also those of the Allied Forces in this country. It will also have the task of arranging for supplies of foodstuffs for the United Kingdom.

### **Wool Values**

Since 1913-14 the income earned in Australia from wool has nearly trebled; this season the total will be at least £70,000,000. The 1913-14 clip was 1,966,576 bales valued at £25,000,000; this season's figure will be about 3,500,000 bales. During the operation of the 1916-20 scheme the highest total received was in 1918-19, amounting to approximately £57,000,000.

The number of sheep and lambs in Australia is 125,000,000, having increased by 40,000,000 in the past twenty-five years.

The present season's appraisements of wool in the main centres in New South Wales now total approximately 1,167,000 bales, worth about £24,500,000 at the contract price. These figures will be increased by May and June offerings. Although the clip for this state has shown a reduction as compared with that of the previous season, the increase of 15 per cent in the contract price granted by the British Government since July 1, 1942, has resulted in the income derived to date being larger than for the full 1941-42 year!

### **Outstanding Taxes**

Income taxes outstanding in the Commonwealth at the close of the last financial year amounted to £13,000,000 as compared with £7,000,000 outstanding the previous year. The total taxes outstanding at June 30 in the years immediately before the war were between £3,000,000 and £4,000,000. In 1940-41, however, the total rose to £8,000,000, and last year to £15,000,000.

### **Housing for War Workers**

Through the War Workers' Housing Trust nearly 1,400 wartime workers' cottages, costing more than £500,000, have been built for munitions and other workers in Victoria, New South Wales and South Australia. There are 700 more cottages, costing about £250,000, nearing completion in these states.

Although these cottages are generally provided for munitions workers, numbers have also been built for workers in other industries, such as flax-growing.

### **Australian Participation in Lease-Lend Aid**

Australia's share in United States lease-lend aid from March 11, 1941, to March 1, 1943, was 4·7 per cent. Up to this date the value of the goods and services transferred to Australia under lease-lend amounted to \$452,000,000 (£141,000,000 Australian).

For purposes of comparison, other participants in American lease-lend aid include: the United Kingdom, 46 per cent; Russia, 19 per cent; Africa and the Middle East, 16·3 per cent; India, 6·2 per cent; China, 1·6 per cent; New Zealand, 1·4 per cent; and unspecified areas, 4·8 per cent.



### Peacetime Production for Wartime Industries

The Australian Tariff Board is now making extensive examinations of secondary industries with a view to switching wartime production to cover peacetime needs when the war ends.

The tariff board has opened inquiries into the development of industries such as the manufacture of typewriters, sewing-machines, floor and wall tiles, carpets, tractors and parts, and electric motors.

The terms of reference give the Tariff Board power to examine:—

1. All aspects of the general problem of the re-establishment of secondary industries as part of the Commonwealth Post-War Reconstruction Plan.

2. The extent to which it is technically possible and economically desirable to adapt for civilian use plant equipment material and manpower used in defence production.

3. Measures necessary to re-establish industries closed down or contracted as a result of the war.

4. The extent to which the Tariff Board's proposals might assist in absorption into civil jobs of members of the services.

5. The extent to which the impact of war on Australia's secondary industry has tended to change its organization and structure; also special problems arising therefrom.

### Australian Note Issue

The Australian note issue is now nearly three times the pre-war figures; from £48,525,215 at the end of August, 1939, it has expanded by £87,331,153 to £135,856,368.

The gold and English sterling reserve in the note-issue department of the Commonwealth Bank is £35,141,463 as compared with £16,029,604 immediately before the war, and the ratio to notes is 25.87 per cent as against 33.03 per cent at the end of August, 1939.

## TARIFF CHANGES AND TRADE REGULATIONS

### British Guiana

#### DUTY REDUCED ON FEEDSTUFFS

A British Guiana Ordinance of July 31, 1943, removed the British preferential tariff rate of 7 cents per 100 pounds on oilcakes and oilmeal and reduced the general tariff from 14 cents to 10 cents per 100 pounds. These rates are subject to a surtax of 30 per cent of the duty. At the same time the general tariff on cattle and poultry feeds of high protein content was changed from 16 $\frac{2}{3}$  per cent ad valorem to 10 cents per 100 pounds plus a surtax of 30 per cent. Imports of these feeds under the British preferential tariff remain duty free.

### India

#### WAR COMFORTS EXEMPT FROM DUTY

Mr. Paul Sykes, Canadian Trade Commissioner at Bombay, reports that Customs Notification No. 17 of July 10, 1943, of the Finance Department of the Government of India exempts from customs duty the following: "goods (other than wines, spirits, and alcoholic liquors) imported by post, addressed to any member of His Majesty's armed forces in India or of the armed forces of the Allied Governments serving in India", provided the Customs Collector is satisfied that the goods are war comforts.

## Peru

## PHARMACY INSPECTION OFFICE ESTABLISHED

Mr. W. G. Stark, Acting Trade Commissioner at Lima, reports that, in order to establish a greater measure of control of concerns producing pharmaceutical products, the Peruvian Government issued a decree on July 15, 1943, creating the "Inspección General de Farmacia", (General Pharmacy Inspection Office). The head of the new office will be the Chief of the Technical Department of Pharmacy and Applied Chemistry of the Ministry of Health. In addition to supervision of all pharmacies and pharmaceutical manufacturing establishments, the new office will control narcotics and toxic drugs and will fix the prices at which pharmaceutical products may be sold.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING AUGUST 30, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, August 30, 1943, and for the week ending Monday, August 23, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Aug. 23	Nominal Quotations in Montreal Week ending Aug. 30	Official Bank Rate
Great Britain. . . . . Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. . . . . Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico . . . . . Peso	.4985	.2284	.2284	4
Jamaica . . . . . Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. . . . . Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2783	.2778	—
Brazil. . . . . Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana . . . . . Dollar	1.0138	.9313	.9313	—
Chile . . . . . Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. . . . . Peso	.9733	.6358	.6358	4
Venezuela . . . . . Bolivar	.1930	.3330	.3330	—
Uruguay. . . . . Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5862	.5873	—
South Africa. . . . . Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India. . . . . Rupee	.3650	.3359	.3359	3
Australia . . . . . Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. . . . . Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

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## ARGENTINE IMPORTS FROM CANADA IN 1942

J. A. STRONG, CANADIAN COMMERCIAL ATTACHÉ

### I. Supply Position

Buenos Aires, August 6, 1943.—Imports from Canada into Argentina have been seriously affected by the shortage of essential materials in the Dominion, arising from the necessity for meeting Canadian war requirements, and by the lack of adequate shipping facilities to carry the available commodities to Argentina.

The following information concerning local requirements of certain essential materials is taken from the Annual Report of the Argentine Central Bank, published in March, 1943.

#### IRON AND STEEL

In normal times Argentina's consumption of iron and steel, almost all of which was imported, exceeded 600,000 tons. The difficulty in obtaining these materials abroad brought about a rise in prices, which, with the application of the first stage of the rationing program introduced by the National Government, resulted in a reduction in requirements by reason of the increasing use of substitute materials. Requirements for 1943 are estimated at 300,000 tons. To meet this demand the country has at its disposal only 85,000 tons of imported material, and even the availability of this quantity is not certain, as the United States cancelled the allocation of 15,000 tons allocated to Argentina for the first quarter of 1943. The remainder of the requirements will have to be met from domestic production and the stocks on hand in the country.

Private enterprise has already made efforts to increase local production of castings and rolled products. With supplies from plants that are to begin



operations in 1943, an output of 70,000 tons may be reached, which is equivalent to 25 per cent of estimated requirements for the year. The available raw material consists for the most part of scrap iron, existing stocks of which are sufficient to meet the needs of the industry for a reasonable length of time.

A further 145,000 tons would have to be supplied from stocks held by manufacturers and dealers, which are reported to exceed that figure.

From the foregoing analysis of the possibilities of supply, it might be inferred that the situation in regard to iron and steel during 1943 does not justify immediate concern. This is true if available supplies are treated as a whole but not if the situation in regard to the various types of articles is considered separately. For instance, there is a marked shortage of steel cables, (for oil-wells and mining, merchant ships, cranes and spare parts for elevators); special and high-speed steels for tools, lathes and dies; black and galvanized seamless pipes and tubes for oil-wells and mining purposes and for boilers; round iron of small diameters for building uses; and some classes of railway and tramway material. If additional quantities of these goods are not received in time from the United States, a critical situation will arise. It is hoped, therefore, that the negotiations being conducted with the United States Government in order to obtain shipments of these materials for Argentina will be brought to a successful conclusion.

The fact that this country, in order to maintain its economic activity, must resort more and more to using up stocks which it cannot replace leads to the conclusion that it will be difficult to avoid the need for more severe rationing.

#### TINPLATE

Argentina received 60,000 tons of tinplate in 1942, slightly more than two-thirds of the quantity used in normal times. However, the needs of the internal market had, generally speaking, to be met from stocks accumulated in previous years, as almost the whole of the tinplate imported was consigned to the packing-houses for use in canning products for export to Great Britain and the United States. It is estimated that 24,000 tons will be imported in 1943, and it is to be presumed that this quantity and all other shipments which may arrive during the period of the war, will be allocated to those plants. Consequently the requirements of the internal market will have to be met almost entirely by the use of containers made of other materials, chiefly glass and cardboard. The problem of packing foodstuffs can be solved to a great extent by the use of these substitutes (except in the case of canned goods, which must be packed in sterilized containers) as long as this country does not run short of soda ash and wood-pulp.

As a result of the timely rationing measures taken by the Government, manufacturers used the limited quantities of tinplate which they received for the most essential purposes and also encouraged the reclamation of used containers for packing non-edible products, which practice was stimulated by the rise in prices.

#### COPPER, BRASS AND BRONZE AND THEIR MANUFACTURES

Argentina's import requirements of copper, brass and bronze manufactured goods are at present limited, since local industry, using copper ingots and bars imported from Chile that reach this country without difficulty, has devoted itself to the production of articles that before the war were imported from abroad. Nevertheless, it has not yet proved possible to solve certain technical difficulties in connection with the manufacture of some highly specialized products such as enamelled wire and bare wire of narrow diameter, which is of great importance in the manufacture and reconditioning of electric motors and the high-tension



cables required for the extension of electrical distribution networks, the total requirements of which may be estimated at 2,000 tons; for these articles Argentina is still dependent on imports. To judge by the allocation assigned by the United States for the first quarter of 1943, it is almost certain that these requirements will not be covered and that some difficulties will be encountered if the problems encountered by local manufacturers of those articles are not overcome in the meantime.

#### SODA ASH

The replacement of tinplate by glass for packing purposes, due to the shortage of the former, has not only increased import requirements of the soda ash used in glass manufacture but has also accentuated the essential character of this raw material, the satisfactory replacement of which by locally produced substitutes has not so far proved possible.

At the outbreak of war, imports, which sufficed to meet the full needs of the country, amounted to 30,000 tons annually, whereas requirements in 1943 will reach 40,000 tons, and this quantity must necessarily be brought from Great Britain and the United States.

If these imports can be effected, the glass manufacturing industry, the principal consumer of soda ash, will, by virtue of the effort made in 1942 to extend its plant equipment and to perfect its manufacturing processes, be in a position to supply the very considerable number of containers which this country will need. The volume of these requirements may be gauged from the fact that 45,000,000 will be required in order that tinplate may be entirely replaced by glass for packing edible oil. Such an output is within the capacity of the industry and, since containers will be manufactured in such a way that the amount of glass used in each unit will be reduced to a minimum, supplies of soda ash will be efficiently employed.

#### CAUSTIC SODA

The consumption of caustic soda by manufacturers of soap, cellulose, yarn, piece-goods and chemical products and by oil refineries will probably reach 40,000 tons in 1943, due to increased activity in these industries. Local production, which has only recently been developed, meets only about 30 per cent of that total; the remainder must be imported from Great Britain and the United States. Some concern was occasioned in 1942 with respect to these supplies when shipments from Great Britain were temporarily suspended at a time when stocks in the country were low. However, exports were resumed later and, with them and the consignments received from the United States, the situation returned to normal. With the shipments already authorized by the United States Government for 1943 and those that can be reasonably expected from Great Britain, added to local production and existing stocks, supply prospects for 1943 are considered satisfactory provided unforeseen conditions do not develop.

#### REFRACTORY MATERIALS

Refractory materials are indispensable to the metallurgical, glass, cement and ceramic industries and also to oil refineries and all other establishments using furnaces or boilers. Consumption of these materials has risen considerably in recent times, due to the increase in industrial activity, and is at present estimated at 60,000 tons. On the other hand, local industry has increased its output of these materials and now supplies the demand for all ordinary grades, which account for 70 per cent of the total. In addition, the production has already begun on a small scale, with raw materials obtained from deposits in this country that have only recently been worked, of special grades with a high silicon content and also of chromite refractories, the latter being essential for

metallurgical plants. Moreover, some industries are using a higher proportion of locally manufactured refractories even at the cost of more frequent renewals. None the less it is estimated that about 10,000 tons of refractories of special grades not manufactured in Argentine will have to be imported, and it is hoped that the greater part of this amount will be received from North America.

### TIN

As a result of the spreading of the war to the Pacific, the situation with respect to supplies of tin became critical. This metal is used chiefly in the manufacture of soldering metal for canning purposes, in plumbing work and in the manufacture of anti-friction metal for bearings. It was usually imported from the British and Netherlands colonies in Asia to the extent of some 800 tons annually, which, added to a similar amount produced locally, was sufficient to cover consumption.

Since shipments from abroad in 1943 will necessarily be very small, requirements will have to be largely met from local production, which cannot be increased owing to the lack of tin ore, and from metal reclaimed from scrap and waste tinsplate.

Despite the fact that requirements have been reduced by the substitution in certain uses (soldering, containers, and tinfoil), it will be difficult to avoid further restriction of consumption in 1943.

### CELLULOSE AND PAPER, OTHER THAN NEWSPRINT

Notwithstanding that the production of wood paste and chemical cellulose has risen in the last three years from 25,000 to 55,000 tons annually, the Argentine paper industry must still import 40,000 tons a year in order to maintain production at the high level reached in 1942. During that year shipments from Sweden enabled requirements to be met easily and also permitted the accumulation of stocks with which the industry will be able to carry on without difficulty until near the end of the current year. The expansion since 1939 in this branch of industry, as a result of which production has risen from 120,000 to 150,000 tons, or 75 per cent of current consumption, enabled it to meet, together with the large paper imports from Sweden, the ever increasing demand, which is to a considerable extent due to the substitution that has had to be effected in certain classes of containers as a result of the scarcity of tinsplate. The development of the paper manufacturing industry might be adversely affected by a lack of Fourdrinier brass cloth, which is essential for paper and cardboard manufacturing machinery and can be imported from the United States only.

### RUBBER

The greater part of the crude rubber used by the Argentine industry, a little less than 10,000 tons, was imported formerly from the British and Netherlands' colonies in Asia. The remainder, in increasing quantities during recent years, was obtained from Brazil. The spreading of the war removed the first of the former sources of supply and later, when Brazil undertook to deliver the whole of her exportable surplus to the United States, this country was faced with the grave problem of obtaining supplies.

The application of rationing measures to the manufacture of tires (which normally absorbed 65 per cent of the rubber imported), the prohibition of the use of rubber in making non-essential goods, together with imports (which in 1942 amounted to only 3,100 tons) and the production of reclaimed rubber, enabled minimum requirements to be met in that year.



## BUSINESS CONDITIONS IN THE UNITED STATES, JANUARY-JUNE

D. S. COLE, SENIOR CANADIAN TRADE COMMISSIONER IN THE UNITED STATES

## II

## COMMODITY PRICES

During the first six months of this year the general level of wholesale commodity prices has shown a steady increase, but in the latter part of June there was a slight decline. Prices of commodities other than farm and food products have continued stable under control of the Office of Price Administration. On the other hand, prices of food products recorded large increases over a year ago, while the increase in prices of farm products has been less severe.

The *Journal of Commerce* general index of commodity prices for the month of June, 1943, was at 108.2 as compared with 104.3 for June, 1942, and 103.2 for December, 1942. Marked increases were recorded for grains, foods, textiles, fuels, and paint materials, while smaller gains were noted for non-ferrous metals, building materials, and pulp and paper. The iron and steel group remained at the same level as a year ago, but the chemical group recorded a slight decline.

The following table, compiled by the *Journal of Commerce*, shows the average commodity price level (1927-29 equals 100) for June, 1943, as compared with the level for June, 1942:—

*Average United States Prices*

	June, 1943	June, 1942
Grains . . . . .	112.2	88.7
Foods . . . . .	112.4	105.1
Textiles . . . . .	106.2	103.3
Fuel . . . . .	104.2	101.2
Iron and steel . . . . .	105.2	105.2
Non-ferrous metals . . . . .	88.6	88.0
Building materials . . . . .	137.8	137.3
Paint materials . . . . .	112.1	101.4
Chemicals . . . . .	86.3	88.6
Pulp and paper . . . . .	107.5	106.6
General index . . . . .	108.2	104.3

## MONEY AND BANKING

During the first six months of 1943 the public debt of the United States had risen to \$136,696,000,000, but the increase was at a less rapid rate than in the latter half of 1942. Government expenditures for war purposes continued to increase, but the advance was not so great as during 1942, while tax receipts were larger. Bank purchases of government obligations showed a slight decline, while purchases by other investors continued in about the same volume as in 1942. The total demand on bank reserves to meet additional reserve requirements and currency withdrawals was not as large as in the second half of 1942, and United States government security purchases by the Federal Reserve Banks were on a much smaller scale. New security financing for the first half of this year was below that for the corresponding period of 1942.

An outstanding development in government financing was the passing in June of the Current Tax Payment Act of 1943, which placed individual income taxes on a pay-as-you-go basis. Beginning July 1, employers are to withhold from each payment of wages an amount representing a proportional part of the normal tax of 6 per cent and the first bracket of the surtax, of 13 per cent, for which each employee is liable.



## NEW FINANCING

Total security financing for the first six months of 1943 recorded a decline from the figure for the corresponding period of 1942, attributable chiefly to the decline in new financing, as refunding operations showed an increase over those in the 1942 period. The total volume of new issues was \$763,800,616 as compared with \$912,303,764 in the like period of 1942. New financing accounted for \$254,766,802 of the total and refunding for \$509,033,814; the comparable figures for the first half of 1942 were \$485,662,588 and \$427,641,176 respectively.

State and municipal financing, accounting for 28.5 per cent of the total, amounted to \$217,657,114 as against \$266,943,101 in the January-June period of 1942. Public utility financing amounted to \$135,835,005 as against \$215,002,976, while new industrial financing totalled \$98,832,497 as compared with \$208,179,861 in the corresponding period of 1942.

## GOVERNMENT FINANCING

United States government spending for the fiscal year 1943 totalled \$78,179,000,000, against which revenues amounted to \$22,282,000,000. The deficit for the fiscal year amounted to \$55,897,000,000 as compared with \$19,598,000,000 in the previous year. Expenditures for war purposes amounted to \$72,109,000,000 and accounted for 92 per cent of the budgetary expenditures. Revenues were 74 per cent greater than those for the preceding year. The gross public debt on June 30, 1943, amounted to \$136,696,000,000 as compared with \$72,422,000,000 on June 30, 1942, an increase of \$64,274,000,000.

## BANK CLEARINGS

The exchange of cheques at the principal clearing houses of the United States for the first half of 1943 totalled \$246,231,379,358, a gain of 25.5 per cent over the total of \$196,195,198,789 for the corresponding period of 1942.

Clearings in New York City for the 1943 period aggregated \$122,861,880,117 as compared with \$92,545,784,769 for the corresponding six months of 1942, an increase of 32.7 per cent. Cheque clearings for the country outside of New York City increased from \$103,649,404,020 in the January-June period of 1942 to \$123,369,499,251.

## RAILWAY SITUATION AND CARLOADINGS

The railways of the United States have been called upon to handle a vast amount of passenger and freight traffic and, as a result, have made enough money in the first six months of this year to pay their fixed charges for the entire year. Although there was a 4.9 per cent rate cut ordered in May, this reduction has been absorbed by increased traffic. According to the Interstate Commerce Commission, net income (exclusive of expenses, interest, taxes and equipment rentals) of the Class I railroads for the January-June period of 1943 amounted to \$448,800,000 as compared with \$289,185,666 for the first six months of 1942, a gain of 55.3 per cent. For the entire twelve months of 1942 railroad fixed charges aggregated \$628,774,150, but this year will be somewhat less because of a reduction in interest charges resulting from debt retirement. Therefore in the first six months of this year they have earned enough, together with "other income" of about \$50,000,000, to more than meet the full year's charges.

The Association of American Railroads reports that for the first half of 1943 Class I railroads handled 353,363,978,000 ton-miles of revenue freight as compared with 290,137,331,000 ton-miles in the corresponding period of 1942, a gain of 21.8 per cent. Total railroad carloadings for the first six months of 1943 amounted to 20,097,022 cars as against 21,063,401 cars in the like period of 1942, a decrease of 4.5 per cent.

The following table shows in detail the car loadings for the first six months of 1943 as compared with the first half of 1942:—

*United States Carloadings*

	Jan.-June, 1943 Cars	Jan.-June, 1942 Cars	Inc. (+) or Dec. (-) Per Cent
Miscellaneous freight . . . . .	9,556,818	9,525,629	+ 0.3
Merchandise, l.c.l. . . . .	2,450,770	3,287,123	- 25.4
Coal . . . . .	4,116,872	4,171,836	- 1.3
Forest products . . . . .	1,061,683	1,223,144	- 13.1
Ore . . . . .	978,123	1,206,882	- 18.9
Coke . . . . .	375,323	366,103	+ 2.4
Grains . . . . .	1,210,570	976,020	+ 24.0
Live stock . . . . .	346,863	306,664	+ 13.0
Total . . . . .	20,097,022	21,063,401	- 4.5

NATIONAL INCOME

The purchasing power of the United States people is at an all-time high. Income payments to individuals this year is expected to reach \$147,000,000,000, according to estimates of the Department of Commerce; this compares with \$70,000,000,000 in 1939.

COST OF LIVING

The cost of living in the United States as compared with August 15, 1939, has increased by 25.6 per cent made up as follows: food, 48.7 per cent; clothing, 28.2 per cent; rents, 3.5 per cent; fuel, electricity, etc., 10.5 per cent.

FORECAST

Although it is difficult to forecast the outlook for the near future, it seems doubtful that the over-all war program for 1943, totalling \$106,000,000,000, or 80 per cent greater than the 1942 objective of \$59,000,000,000, will be reached. If this year's goals are to be met, civilian economy must suffer further curtailment. War Production Board forecasts indicate that the supply of goods and services available for civilians will likely be 10 to 15 per cent below those of 1942, and in the fourth quarter of this year may be 20 per cent lower than in the corresponding period of last year. The ability to supply merchandise out of inventory, especially non-replaceable durable goods, will have been further reduced by this fall, while the increasing manpower shortage will be affecting many lines of manufacture. On the other hand, the improvement in shipping conditions has eased the situation in some directions through increased supplies of certain imported goods.

Further increases in taxation, government borrowing from the public, and possibly compulsory savings seem in prospect for the country.

CONTROL OF IMPORTS AND DISTRIBUTION IN NEWFOUNDLAND

R. P. BOWER, ACTING TRADE COMMISSIONER

St. John's, August 27, 1943.—Two government agencies in Newfoundland are charged with procurement and distribution of foodstuffs: the Supplies Division and the Food Controller's Office. The former is administered by the Department of Public Works, and the latter by the Department of Public Health and Welfare. The Supplies Officer is responsible for the procurement of foodstuffs for Newfoundland, while the Food Controller has charge of its equitable distribution inside the country. The Food Controller is also the Price Controller.



Following is a summary of existing controls and regulations based on a chronological record of the problems that have arisen as a result of the war and of the measures that have been taken to solve them.

#### INCREASE IN COST OF LIVING

Since the outbreak of hostilities there has been a steady increase in the cost of living in Newfoundland. Accurate indices are not available, but a rough estimate is obtainable from figures that are published monthly, although these are more valuable as an indication of trends than of the real situation. From the basic figure 100 for October 1, 1938, the index had risen to 104.4 by October 1, 1939. By December, 1941, it had reached 131.6 and continued to rise steadily until a peak figure of 150.2 was recorded in December, 1942. It stood at 149.2 on August 3, 1943. Three main factors operated to cause these increases; (1) Increases in commodity prices in countries of supply (Newfoundland imports by far the larger proportion of its food requirements); (2) increased freight, insurance and handling charges; (3) increased spending and purchasing power consequent on war conditions, especially high wage earnings by personnel engaged on base construction operations conducted by Canada and the United States.

There was, in addition, a substantial rise in house rentals, particularly in St. John's, consequent upon an influx of workers on base construction. Men and their families were involved in this movement, which included those from the outports as well as from overseas.

#### RENT CONTROL

In December, 1941, the Commissioner for Public Health and Welfare was appointed to carry out the duties usually associated with the offices of "Price Controller" and "Rent Controller".

The legal basis of the controls imposed is the Emergency Powers (Defence) Act, 1940. By the Defence (Price of Goods) Regulations, 1941, and the Defence (Rent Restrictions) Regulations, 1941, made under this Act, the Price Controller was authorized to fix by Order the maximum prices to be charged for any goods, and, effective June 30, 1941, increases in the rents of unfurnished dwelling-houses were prohibited except with the prior approval of the Rent Controller.

This regulation applied only to unfurnished dwellings. With no ceiling on rents for furnished houses, flats or rooms, most landlords automatically refused to rent on an unfurnished basis. A few items of furniture were used to convert unfurnished into furnished dwellings, and the rents were raised to levels that were out of all proportion to pre-war rates or to the values based on the addition of the furniture.

Having regard to the country's dependence on imports and to the limited means, financial and administrative, at its disposal, the Commission of Government did not attempt to fix an over-all ceiling based on prices current on a particular date or during a prescribed period, as was done in Canada. This would have involved frequent adjustments to meet the upward trend in the landed cost of imported commodities or, alternatively, the payment of subsidies on a large scale. Price control, has therefore been limited to certain important commodities.

#### REGULATION OF FOODSTUFF PRICES

The Food (Current Prices) Order, 1941, which established control over prices, prescribed that any "specified food" should not be sold at a price in excess of that prevailing on December 15, 1941. The only commodity then so specified was liquid cows' milk, but rising costs, mainly of imported feeding-



stuffs, made it impossible for farmers and others to continue to operate under the restrictive ceiling price and, in September, 1942, revised maximum prices for both pasteurized and raw cows' milk were published.

An Order in similar terms was made in May, 1942, restricting to the levels in effect on May 2 the prices of meats of all kinds, including bologna, sausages, and tinned meats (excluding meats preserved by salt and pickle), bacon and ham, milks (tinned, condensed, evaporated, or dried), butter, butterine, oleomargarine, cheese, dried fruits, raisins, currants and prunes, canned and bottled fruits, tinned soups and vegetables, dried beans, rice, rolled oats, oatmeal, onions, sugar, tea, and cocoa.

In June, 1942, the wholesale and retail prices of white (granulated) sugar were fixed, but these have since been modified from time to time.

By the autumn of 1942 it became clear that the landed costs of many of the foodstuffs subject to the Order of May, 1942, referred to above, had risen so steeply that the ceiling prices placed on them could not be maintained. The position was corrected by imposing as a new ceiling the prices ruling on December 14, 1942, for tea, cocoa, coffee, chicory, and coffee extracts, and those in effect on December 22, 1942, for salted beef and pork and for tinned meats.

Experience showed that in the absence of inspectors and active public interest, the method of limiting prices to those prevailing on a given date was unsatisfactory and virtually incapable of enforcement. The Order of May, 1942, was therefore cancelled, and the policy was adopted of fixing the wholesale and retail prices of specified goods by retail and trade units. Maximum prices on this basis are now in operation in respect of the following foodstuffs: sugar, molasses, corned beef, tea, salted beef in barrels, five-cent confectionery, bread (white, brown, raisin: Avalon Peninsula only); potatoes, cooked corned beef in tins, eggs (imported and locally produced), and butterine (margarine).

In the case of the majority of the commodities that were formerly but are not now subject to price control orders, the Food Controller has fixed the maximum additions that may be made to landed costs, whether by a percentage mark-up or on a unit basis. Some of these levels have been set by government order and others by an unwritten agreement with importers. This arrangement also applies to imported fresh meats.

In the case of molasses, a number of difficulties was experienced in fixing prices. By long-standing custom, prices had been fixed by the trade, and these varied with the quality (fancy, choice, grocery) of the molasses and the size of the container (tierce, puncheon, barrel). Had this practice been followed, it would have been virtually impossible for a consumer to know the retail price he should pay. The whole season's importations were therefore handled as one unit, the importers acting as a trade group. Differences due to quality and size of containers were ignored, and flat basic wholesale and retail prices were fixed. To these prices were added permissible extras to take care of freight and insurance charges to certain distribution outposts.

#### INTRODUCTION OF RATIONING

On December 12, 1942, the first attempt at official rationing was undertaken. The honour system was tried out, and citizens were requested not to purchase more than two weeks' supply of tea at one time nor to purchase any tea at all as long as they had two weeks' supply on hand. They were also asked to cut their consumption by half. While there was some decrease in the rate of consumption, the Food Controller announced in February, 1943, that tea was to become subject to coupon rationing as soon as the ration books could be printed and distributed. (This did not take place until July 5, 1943, when a ration of two ounces per person per week was established.)

At the same time the Controller announced that sugar and molasses were to be rationed on the honour basis and would probably become subject to coupon rationing when the ration books became available. The ration of sugar was set at one pound per person per week, one pint of molasses being regarded as the equivalent of one pound of sugar. Stocks of sugar and molasses in the hands of wholesalers were frozen, while industrial users were restricted to 70 per cent of their 1942 consumption. (In July, 1943, sugar became subject to coupon rationing on the foregoing basis.)

At this time a regulation was issued prohibiting the export from Newfoundland of any foodstuff without a permit from the Food Controller.

On February 13, 1943, the Food Controller announced the removal of the War Revenue Tax on a long list of commodities, including most foodstuffs. This tax amounted to  $7\frac{1}{2}$  per cent and its removal was an effort to check the rising cost of living. At the same time the duty on potatoes of 87 cents per barrel of 180 pounds was removed for the same purpose.

On April 13, 1943, all barrelled and canned meat stocks in the hands of importers or wholesalers were frozen, and sales to retailers were prohibited except by permit. Releases were permitted only to men outfitting for the fisheries or to those working in the woods and mines. At the same time it became necessary to bring coffee under control. Restriction of the use of tea resulted in an increased demand for coffee, and an honour ration of four ounces a week was established. (Coupon rationing became effective at the same time as it did for tea, and with the added proviso that the ration of tea and the ration of coffee could not both be purchased in the same week.) It was also decided to increase the tea ration for men working in the logging camps by half an ounce per week, that is, to two and one-half ounces per week. An improvement in the molasses position enabled the authorities to remove the restriction applying to its consumption.

On April 27, the Government removed the duties on barrelled beef and pork and on canned meats in a further effort to keep down the cost of living.

#### CONTROL OF PRODUCTS OTHER THAN FOODSTUFFS

On May 1, 1942, regulations were gazetted to control the trade in tires and tubes. To purchase motor tires and tubes, users must first obtain a permit from the Supplies Division of the Government. Retail prices of tires are fixed by the Price Controller and communicated to the trade and to the Supplies Division. The maximum price that may be charged for any tire or tube is endorsed on the relative permit to purchase issued by the Supplies Division.

To control the price of coal, regulations were published in August, 1942, prohibiting import except under licence, and the Price Controller was authorized to fix sale prices. Great uncertainty prevailed in St. John's as to the prices properly payable to merchants by consumers. A shipment of coal might become subject to heavy demurrage, due to convoy or heavy-weather delay, discharging difficulties, etc., while another cargo might escape these hazards. This resulted in different prices being charged by different merchants for the same grade of coal. It was decided, therefore, that the position could best be met under a pooling system, and in St. John's a company limited by guarantee was formed to operate the "pool". Only members of the pool are granted licences to import, and all expenses of operation—chartering vessels, discharging them, etc.—are borne by the pool. The profit per ton and chargeable expenses were agreed upon and a flat maximum sale price per ton fixed for a period, subject to revision from time to time according to circumstances.

Since June last, fishermen's motor fuel has been placed under price control. Basic wholesale and retail prices at St. John's were agreed upon with the principal importers, additional sums being allowed in respect of freight, etc., to



their tankage or barrel points around the coast. Maximum additions to these prices were fixed to cover freight and insurance to retail points.

The price of gasoline has since 1941 been regulated in St. John's by a gentlemen's agreement between the Price Controller, importers, distributors and retailers. Until recently the prices charged at outports for gasoline were strictly in line with St. John's quotations when allowance was made for freight and other expenses. Recent experience has shown, however, that in some out-port areas there is a tendency to charge unwarranted prices, and a price control order is under consideration.

Certain commodities in short supply (axes, agricultural implements, tinned beef) have been brought into Newfoundland from time to time under government purchase, and the wholesale and retail prices have been fixed after consultation with the trade.

Freight tonnage rates payable to schooners registered in Newfoundland for the conveyance of goods between ports in the Island and Labrador and to and from ports in Canada have been fixed by the Commissioner for Public Utilities on the advice of the Transportation Board.

#### REVISION AND EXTENSION OF REGULATIONS

The increase in the population in certain areas led to much overcrowding, and the practice became general of purchasing houses ostensibly for the occupation of the new owner but actually to take advantage of the opportunity to obtain new tenants at higher rentals or for sub-letting. This led to numerous evictions both by new and old owners and landlords, as the Rent Restrictions Regulations did not contain any prohibition against a landlord dispossessing his tenant by simple notice to determine the tenancy. In November, 1942, therefore, the rent regulations were revised, and it is now not possible to obtain possession of houses, etc., unless the landlord can prove failure to pay rent, nuisance, or need of the premises for the occupation of himself or his family, and then only if reasonable alternative accommodation is available. The number of cases in which permission has been granted to increase rent or to evict tenants is negligible.

The Deputy Food Controller estimates that at the present time about 60 per cent of all foodstuffs have been brought under some form of price control. It is proposed to continue and to extend the policy of fixing the prices of such goods. No orders dealing with commodities other than food (except as mentioned previously), nor with services have yet been published, but such extensions to cover other commodities and services are under consideration.

#### CONTROL OF IMPORTS

Early in 1943, Canada and the United States made definite allocations of most foodstuffs to Newfoundland. The division of these allocations among the various Newfoundland importers is effected by the issuing of essentiality certificates, in the case of goods of Canadian origin, and import recommendations in the case of goods from the United States. The Newfoundland Government Supplies Officer is authorized to issue these essentiality certificates and import recommendations, which are granted to importers on the basis of a previous year's figures. On account of the large number of small importers and the vast amount of paper work that would be involved in making allocations to each of them, it was decided to limit the number of importers. A list of "approved" importers for each commodity has therefore been prepared, and at the beginning of each quarter these approved importers are given essentiality certificates or import recommendations covering their allocations for the whole quarter. The total of the certificates so issued will equal the total allocations



from Canada and the United States. This procedure ensures that the allotted quantities of food are imported into the country. The Food Controller is responsible for levelling out consumption so that supplies will not be dissipated at the beginning of the quarter, leaving little or nothing for the end of the period.

#### NATIONAL REGISTRATION

Aside from the regulations referred to above, the only other measure which has any bearing on the rationing and distribution of commodities in Newfoundland is the national registration program. While not originally designed for this purpose, the information obtained as a result of national registration made the issuing of ration books possible. It also provided the authorities with an accurate means of estimating the population. The number of persons in Newfoundland registered under the Food Rationing Regulations (exclusive of Labrador) totalled 330,877. Estimating the Labrador population at 5,000, the total population of Newfoundland and Labrador is in the neighbourhood of 336,000. This represents an increase of about 46,000 people over the totals as recorded by the 1935 census. The figures do not include Canadian or United States military personnel except those who live outside barracks and draw special subsistence allowances. The number of such individuals is estimated to be 2,000, largely located in the St. John's area.

### NEW ZEALAND MEAT PRODUCTION

C. B. BIRKETT, ACTING TRADE COMMISSIONER

Auckland, July 26, 1943.—Conditions in the meat trade of New Zealand are regarded as satisfactory by the Meat Producers' Board according to their annual report for the season ended June 30, 1943. Under the agreement entered into in 1941 and renewed at the beginning of the 1942-43 season, whereby the Government contracted to purchase the normal exportable surplus of meat, buyers of export meat have continued their purchases, and freezing companies continued to slaughter and freeze for export without fear of encountering financial difficulties.

Contrary to expectations in the early months of last year, the 1941-42 season finished with a very small carryover of unshipped meat. During the 1942-43 season the volume of available shipping space, while short in the beginning, improved later to the extent that next season there will be no heavy carryover.

#### KILLINGS

Total killings for export during the 1942-43 season (October 1, 1942, to May 29, 1943) are given below, with figures for the previous season (to May 30, 1942):—

#### *New Zealand Export Killings*

	1942-43	1941-42
Beef (quarters).....	469,698	477,989
Wether mutton (c/cs.).....	582,649	758,120
Ewe mutton (c/cs.).....	1,663,007	1,922,446
Lamb (c/cs.).....	10,534,077	10,596,567
Pork (porkers) (c/cs.).....	91,733	195,989
Pork (baconers) (c/cs.).....	86,096	222,582
Boneless beef (frt. c/cs.).....	740,253	634,689
Boneless bobby veal (frt. c/cs.).....	77,733	.....
Sundries (frt. c/cs.).....	340,817	316,979
Total in freight carcasses.....	10,396,396	11,222,991

#### DEHYDRATED MEAT

Under contract to supply the United Kingdom Government with a minimum quantity of 2,500 tons of dehydrated meat during the calendar year 1943 and

to increase this to 5,000 tons in 1944, good progress has been made in this new industry. An efficient plant has been in operation in Auckland for some months; when in full working order, production will be at the rate of 5,000 tons per year.

The contract with the United Kingdom Government is for three years and provides that prices be paid by the British Ministry of Food on the basis of the frozen schedule prices for export meat, plus costs of processing, as well as a contribution towards the capital cost of the plant at the rate of 20 per cent per annum spread over the period of the contract.

It is estimated that 2,500 tons of dehydrated meat is equal to some 14,000 tons of carcass meat, so that export in a dehydrated condition will save this equivalent of refrigerated shipping space.

An interesting description of the plant and process is reported in the May, 1943, issue of *Meat and Wool*, as follows:—

"During the last two years New Zealand has accepted small contracts amounting to approximately 150 tons of dried meat a year, and arrangements were made for these contracts to be filled by an Auckland firm. The new plant has been designed on experience gained in Auckland and after collaboration with experts in the United Kingdom. It therefore embraces all the most recent improvements resulting from New Zealand and overseas experience.

"Beef only is being handled at present, but the installation, which is a completely self-contained department, can deal equally as effectively with mutton, lamb, or bobby calves. During the period that the plant has been on trial the output of the finished product has been one to one and a half tons daily, but, working an eight-hour shift, six to eight tons can be processed. Normal slaughter-house methods of killing are followed, and the meat goes into the freezing chambers until it is required for dehydrating. It then comes out on to a conveyer that distributes it along a series of defrosting tanks, where it is soaked for 8 to 12 hours. Lifted onto a long drainage table running parallel with these tanks, it is dealt with by the trimmers, who remove all gristle and sinew. The trimmings are disposed of in the ordinary way, and the meat is then cut into pieces of about eight pounds' weight. These are fed into an electric slicing machine, which deposits the meat in a steel basket of about 400 pounds capacity.

"Next the meat goes by overhead rail to the scalding tanks, where it is parboiled for about twenty minutes before being lifted by a crane onto the table, where it is fed through a mincer into trays. An automatic spreader distributes the meat over these trays, which are then taken along by a conveyer to trolleys which hold ninety-six trays each. At this stage the actual dehydration process begins. The dehydrator consists of four tunnels, each divided into four sections, each of which has a different temperature, gradually decreasing with each section the meat passes through. Two loaded trolleys are pushed into No. 1 section of each tunnel. They remain in each section for two hours and pass through the whole tunnel in eight hours. As each pair of trolleys moves from one section to another, two more are hooked on in trailer fashion, so that there is a continuous train of trolleys passing through the tunnel.

"They are drawn out by a windlass, and the meat, now thoroughly dried, is tipped into a bin. From there it is fed to automatic presses and then packed and cased by normal factory methods. One ton of meat will produce about a quarter of a ton of the dried product, which when finally processed is in granulated form. There is a loss of 70 to 75 per cent in weight due to the extraction of moisture. Soaked for from eight to twelve hours, the meat returns to the same condition as it was when it came through the mincer. Weight, space and transportation have been saved to an astonishing degree, and the meat is ready for use in pies, sausages, rissoles, stews, curries, or any other way, according to the adaptability of the cook.



"This commercial plant has a floor space of about 13,000 square feet. It is a closed system, with a very low bacterial count compared with the open systems, which introduce fresh air during the process, and is of the type operated in Australia and the United States. The movement of the air in the closed type of dehydrator is rotary, the same air being circulated all the time. For the drying process a current of air is passed over an electric heater and it then goes through the trays, absorbing the moisture from the meat. It goes back over the condensers, which take out the moisture and drain it off. The same air is then used again."

### LIVE STOCK

With the exception of pigs, the numbers of live stock in New Zealand for 1941 (latest available figures) show on an average a slight increase over those for the previous year. A continued fall in pig numbers has resulted in a ban on pork sales for an undetermined period. Lambing estimate for 1942 is 91.43 per cent, the highest on record in a decade. It is the third year in succession that the percentage has been over 90, an all-time record.

The number of sheep in New Zealand as at April 30, 1941, with the figure for 1940 in parentheses, was 7,847,439 (7,393,962) lambs; 2,390,130 (2,434,586) wethers, and 20,030,933 (19,727,657) breeding ewes. The number of pigs on January 31, 1942, was 688,766 (769,180). Cattle figures as at the same date are as follows: breeding bulls two years old and over, 84,419 (78,662); cows and heifers two years old and over, for dairying, 1,941,299 (1,946,798); other cattle (including calves), 2,615,996 (2,550,413); total cattle, 4,641,714 (4,575,873).

## STABILIZING PRICES IN AUSTRALIA

### Subsidy Method Adopted from Canada

(From *The Times Trade and Engineering Supplement*)

Since the outbreak of war the landed costs of imports into Australia have risen about 75 per cent, exportable goods entering into local production have become dearer by 30 per cent, wages have risen 20 to 25 per cent, and much labour has had to be used at overtime rates, sales tax has risen from 6 to 12½ per cent, and Customs and Excise duties also have been substantially increased. These basic costs have increased the general price level by 22½ per cent. Interest charges and rents have been pegged for over a year, and so have wages except for adjustments to the cost of living; but owing to a heavily increased consumer demand, resulting from an abundance of high wages and a diminishing supply of goods, there is risk that the increase in the price level may progress to a point at which it will become an inflationary force, unless the controls thus far employed are strengthened, especially as wages are periodically adjusted to the index number of retail prices.

### ELABORATE MACHINERY

A new method of price control has therefore been introduced. Prices of all goods and services have been pegged, and similar machinery for stabilizing prices to that operating not only in Canada but in a modified form in the United Kingdom and New Zealand also has been devised. Its aim is to prevent an increased price of one commodity in the regimen on which the cost of living is based from causing a rise in the basic wage and thus affecting costs of production throughout industry. Industries or trades which have still to meet increased costs owing either to dearer imports or to less experienced or less efficient labour will still be entitled to approach the Prices Commissioner (Professor Copland), who, if there is a strong case for relief, will not authorize an increased price, as heretofore, but will refer the application to a Prices Stabilization Committee.

This committee, if satisfied that relief is still needed, despite economies of rationalization and improvement in efficiency, will recommend a subsidy to the producer to meet his increased costs. Rising costs of imports will thus be met by paying subsidies at the point of import.

The Government is already subsidizing dairy farmers at the rate of £A2,000,000 a year to compensate them for higher costs, and thus obviating a rise of 3d. per lb. in the price of butter, which would have been reflected in an increased basic wage. It is purchasing all the tea Australia requires and re-selling it at a little less than cost, but, except for a subsidy of £A372,000 for these purchases, it is estimated that the basic wage would have had to be increased 8d. a week. It is also supplying farmers with superphosphate at less than the cost of production at a cost of £A800,000 a year, which helps to keep down the prices of all primary products. The cost of the new subsidy plan is variously estimated at £A10,000,000 to £A15,000,000, and even more, but the Government's advisers declare that for every £A1 of subsidy £A2 of price-rise will be avoided.

This method of stabilizing prices presents the three departments responsible with a complicated task, especially as it is applied to a continent of widely varying conditions. Perishable primary products, such as vegetables, fruit, and eggs, vary greatly in costs of production and quantity of output from area to area, and at different times of the year, hence a general ceiling price is not applicable to them, and varying maximum prices must be fixed according to the season of the year. If the Prices Stabilization Committee declines to approve a subsidy for a trader unable to increase the efficiency of his undertaking, the Department of War Organization of Industry may decide to put him out of business by measures of rationalization, subject to compensation.

One criticism of the scheme in business circles is that the machinery will be so complicated that it will be difficult to get any finality. An official assurance has been given, however, that in the event of delay in authorizing a subsidy it will be retrospective to the date of the trader's application. The Government's political opponents regard the scheme as an unsatisfactory alternative to the more direct course of controlling prices by removing excess spending power through more adequate taxation of lower incomes. Canada's success with a similar scheme, they argue, has been largely due to a more courageous financial policy and more effective control of wages and of waste.

## AUSTRALIAN OUTPUT OF DAIRY PRODUCTS

Mr. K. F. Noble, Acting Canadian Trade Commissioner at Sydney, reports that a tremendous expansion in the production of milk products in Australia since the beginning of the war has caused milk to be diverted from butter production. More milk products have been necessary to meet the needs of the armed services and Great Britain.

The greatest increase has been in the production of unsweetened condensed milk—from 2,000,000 pounds just before the war to 24,000,000 pounds in 1942. Sweetened condensed milk production rose from 32,000,000 pounds prior to the war to 77,000,000 pounds last year. Increases are also shown in the figures for concentrated milk and powdered milk, both skim and full-cream.

The butter output of the Commonwealth for the year ended June 30, 1943, is estimated at 178,867 tons as compared with 169,454 tons for 1942 and 211,987 tons in 1939-40.

The Commonwealth has contracted to supply the United Kingdom with 70,000 tons of butter and 10,000 tons of dry butterfat during the year ending June 30. Until March 31 last, exports for the financial year totalled 51,120 tons.

Cheese production for the year ending June 30, 1943, is estimated at 36,555 tons as compared with 29,798 for 1941-42. Production for the nine months ended March 31, 1943, was 31,105 tons, while exports totalled 9,510 tons, or 30.43 per cent of production.



## CONTROL OF EXPORTS FROM CANADA

### REGULATIONS AMENDED

By Export Permit Branch Order No. 77, effective September 1, 1943, the Export Permit Regulations are amended as follows:—

1. Exemption from requiring an export permit for the following commodities when shipped to the British Empire or the United States is cancelled, so that export permits will be required for shipment of these commodities from Canada to any destination:

#### GROUP 7—NON-METALLIC MINERALS AND THEIR PRODUCTS

Kerosene  
Gas oil, distillate fuel oil and residual fuel oil  
Paraffin wax, refined and unrefined  
Petroleum asphalt (including road oil)

2. The following are exempted from requiring an export permit for shipment to the United States:

#### GROUP 9—MISCELLANEOUS

Plans, specifications and other documents in design or construction of any arms, ammunition, implements or munitions of war, as included in Group 10 (Arms, Ammunition, Implements or Munitions of War, Military, Naval or Air Stores).

## TARIFF CHANGES AND TRADE REGULATIONS

### Australia

#### SALES TAX ON NEWSPRINT NOT USED FOR PRINTING NEWSPAPERS

The Australian Parliament, on July 13, 1943, amended the Sales Tax (Exemptions and Classifications) Act so as to impose sales tax on imported newsprint not used for newspapers. The sales tax is at present 12½ per cent. At the inception of the sales tax in 1930 all supplies of newsprint were imported. Sales tax exemption applied to imported newsprint regardless of its use. In recent years, the manufacture of newsprint has developed in Australia, with no provision in the law for exemption from sales tax of Australian-made newsprint other than that "raw material" for newspaper publishers is free of sales tax. In this way Australian-made newsprint used for printing was exempt, but when used for wrapping paper or for any purpose other than the "manufacture" of goods it was subject to sales tax. The amendment removes this anomaly by making imported newsprint not used for printing newspapers subject to the sales tax.

### New Zealand

#### IMPORT CONTROL IN 1944

Mr. C. B. Birkett, Acting Trade Commissioner at Auckland, cables that the New Zealand schedule of import licences for 1944 was announced on September 3, 1943. No fundamental change in the regulations has been made, but more items have been transferred to the category of goods to be imported by the New Zealand Ministry of Supply only. Particulars of New Zealand import control regulations for the year 1943 (the seventh licensing period) were reported in *Commercial Intelligence Journal* No. 2015 (September 12, 1942), page 258. Some amendments to the 1943 regulations were reported in *Commercial Intelligence Journal* No. 2024 (November 14, 1942), page 451 (the products affected were non-ferrous metals, gaming devices, sanitary towels); No. 2027 (December 5, 1942), page 524 (children's footwear); No. 2047 (April 24, 1943), page 342 (handles, coffee brewers); No. 2055 (June 19, 1943), page 513 (pens and pencils); and No. 2059 (July 17, 1943), page 60 (gluten flour, logs).

Seventh-period (1943) licences have been made valid until June 30, 1944.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING SEPT. 7, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Tuesday, September 7, 1943, and for the week ending Monday, August 30, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Aug. 30	Nominal Quotations in Montreal Week ending Sept. 7	Official Bank Rate
Great Britain. . . . . Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. . . . . Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico . . . . . Peso	.4985	.2284	.2284	4
Jamaica . . . . . Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. . . . . Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2778	.2781	—
Brazil. . . . . Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana . . . . . Dollar	1.0138	.9313	.9313	—
Chile . . . . . Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. . . . . Peso	.9733	.6358	.6358	4
Venezuela . . . . . Bolivar	.1930	.3330	.3330	—
Uruguay. . . . . Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5873	.5873	—
South Africa. . . . . Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India. . . . . Rupee	.3650	.3359	.3359	3
Australia . . . . . Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. . . . . Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—



# COMMERCIAL INTELLIGENCE SERVICE

**C. M. CROFT, Director**

## **Argentina**

**J. A. STRONG**, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## **Australia**

**Melbourne:** **FREDERICK PALMER**, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

**Sydney:** **K. F. NOBLE**, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

## **Brazil**

**L. S. GLASS**, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrôpole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

## **British India**

**PAUL SYKES**. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## **British West Indies**

**Trinidad:** **G. A. NEWMAN**. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, British Guiana, and Dutch Guiana.) *Cable address, Canadian.*

**Jamaica:** **F. W. FRASER**, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## **Chile**

**M. J. VECHSLER**, Commercial Attaché. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building (Territory includes Bolivia.) *Cable address, Canadian.*

## **Colombia**

**M. T. STEWART**, Acting Trade Commissioner. Address for letters—c/o Royal Bank of Canada, Bogota. (Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies). *Cable address, Canadian.*

## **Cuba**

**J. L. MUTTER**. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## **Egypt**

**RICHARD GREW**. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr et Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

## **Ireland**

**E. L. McCOLL**, 66 Upper O'Connell Street, Dublin (*Cable address, Canadian*); and 36 Victoria Square, Belfast.

## **Mexico**

**C. S. BISSETT**. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

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## CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

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Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

### GENERAL

**Annual Report of the Department of Trade and Commerce.**—A summary of the activities of each of its Branches, including the Foreign Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

**Annual Report of the Board of Grain Commissioners.**—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

**Annual Report of Electricity and Gas Inspection Services.**—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

**Annual Report of Dominion Grain Research Laboratory.**—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

**List of Grain Elevators.**—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

### PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

**Commercial Intelligence Journal.**—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

### PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics:—

**Census of Canada.**

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

**Canada, 1943.** (Price 25 cents.)

**Canada Year Book.** (Price \$1.50.)

**Trade (Internal), prices, cost of living, etc.** (Price \$1 per annum.)

**Monthly Review of Business Statistics.** (Price \$1 per annum.)

**News Bulletin, Daily** (Price \$1.50 per annum). **Weekly** (Price \$1.00 per annum.)



CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con*

## Newfoundland

R. P. BOWER, Acting Trade Commissioner, Circular Road, St. John's. *Cable address Canadian.*

## New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

## Peru

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

## South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

## United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes the South of England and East Anglia). *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes the Midlands, North of England, and Wales.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

## United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Legation.

New York City: D. S. COLE, Senior Trade Commissioner in the United States, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: Acting Trade Commissioner, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

# Commercial Intelligence Journal

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Minister:

Hon. James A. MacKinnon, M.P.

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## DISTRIBUTION OF CANNED GOODS IN THE UNITED KINGDOM

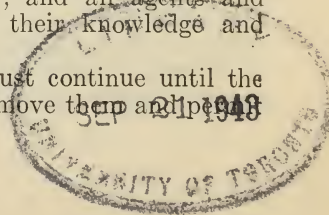
J. A. LANGLEY, CANADIAN TRADE COMMISSIONER

London, September 1, 1943.—The Canned Goods Primary Brokers' and Agents' Section of the London Chamber of Commerce, with the support and approval of the Brokers' and Agents' Canned Goods and Californian Dried Fruit Section of the Liverpool Chamber of Commerce, the Scottish Dried Fruit and Canned Foods Importers' Association, the Canned Goods Brokers' Section of the Bristol Chamber of Commerce, and the South African Canned Crawfish Agents' Association, has issued a statement setting out briefly the normal functions and activities of United Kingdom agents and brokers representing overseas producers and shippers of canned fruit, vegetables, and fish.

The memorandum has been prepared in anticipation of de-control and the reversion of business to normal trade channels and for the information of government departments concerned and other interested parties. While much of the information contained in the memorandum is not new, it is felt that it will be helpful to everyone concerned with the production, shipment, financing and marketing of the products referred to therein.

Under wartime controls the normal activities of agents and brokers have been suspended so far as canned goods are concerned. Wartime companies, established under authority of the Ministry of Food, have functioned in the distribution of canned goods imported by the Ministry, and all agents and brokers, as members of those companies, have placed their knowledge and experience at the disposal of the Ministry.

The associations admit that the wartime controls must continue until the United Kingdom Government considers it opportune to remove them and the





resumption of trade through normal channels. It is towards that eventuality that the members of these associations are now looking and for which they are preparing.

#### TEXT OF STATEMENT

The text of the statement referred to above is as follows:

The members of these organizations can rightly claim to have pioneered the importation of canned goods and to have considerably assisted in developing this trade as the sole connecting link between the overseas producers or shippers and the United Kingdom distributors. Prior to the introduction of government control they were doing the major portion of the United Kingdom import trade in canned fruit and vegetables and canned fish in their capacity as agents for the overseas producers or shippers. Consequently they have a large interest in the two companies formed in conjunction with the Ministry of Food in connection with the distribution of these commodities throughout the United Kingdom on behalf of the Ministry.

The object of this communication is to set out the services normally performed by the members and to ask that they be consulted in respect of all matters affecting post-war trade in the commodities with which they are concerned.

Primary agents and brokers, acting on behalf of their principals, the overseas producer and shipper, sell to the United Kingdom distributors. It is also their function to keep their overseas principals advised of market requirements in respect of packing, grading, marking, branding and quality and to protect their interest in the event of claims or disputes arising after the arrival of the goods in the United Kingdom. In return for their services remuneration is paid by the overseas producer or shipper, which remuneration is included in the selling price.

#### SERVICES PERFORMED

Agents normally perform other essential services, among which may be mentioned the following:—

1. Covering exchange when overseas shippers prefer selling on the basis of their own currency and the distributors in the United Kingdom insist on a sterling price.
2. Arranging and paying freight and insurance when overseas producers insist on selling f.o.b. shipping port and United Kingdom distributors insist on purchasing c.i.f. United Kingdom port.
3. Opening bank credits and paying the bank's charge when producers require payment at port of shipment and United Kingdom distributors insist on payment in the United Kingdom on arrival of the goods.
4. Arranging for the landing and storage of the goods at United Kingdom ports to suit the convenience of distributors.
5. Arranging for and financing the shipment of consignments to ensure that supplies are available in the United Kingdom to meet consumptive demands, thus preventing temporary shortages and inflated prices.

The performance of the foregoing services necessitates daily contact by cable and telephone with overseas producers and daily contact with the large distributors throughout the United Kingdom, that are maintained in the provinces through members' own branch offices, or with sub-agents in the larger provincial ports and towns. Most agents also made periodical visits to their overseas principals to promote business by personal contact.

The services performed justify the claim of members to have made a fundamental contribution to the development of the import trade in canned goods.

## ADVANTAGE OF AN AGENT

The presence of an agent in this country is of advantage to the overseas producer or shipper; he can trade with confidence in the knowledge that his interests in the United Kingdom will be fully protected. The presence of agents of foreign and Empire producers or shippers in this country is of considerable advantage to United Kingdom buyers; there is someone on the spot who can promptly deal with queries or complaints. Primary brokers and agents have always been an integral part of the organization of the overseas producers and shippers; they are also of considerable advantage to the United Kingdom buyer.

From the foregoing it is apparent that the members of these organizations normally perform essential functions in international trade. It is hoped that post-war conditions will permit the resumption of these functions. Meanwhile it is desired to place this statement on record together with the assurance that the Canned Goods Primary Brokers' and Agents' Section of the London Chamber of Commerce and the other organizations are available for consultation, discussion, advice or information on any aspect of the trade in imported canned fruit and vegetables and canned fish, with particular reference to post-war developments.

## POST-WAR DEMAND FOR DOORS IN SCOTLAND

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Glasgow, August 16, 1943.—After the war a great number of new houses will be needed in Great Britain, and construction plans are now in course of preparation, the execution of which will require large quantities of timber as carcassing, flooring, etc., for dwellings with stone or brick walls and for many all-timber houses. The Scottish aspect of this important subject was reported in *Commercial Intelligence Journal* No. 2030 (December 26, 1942), No. 2031 (January 2, 1943), and No. 2032 (January 9, 1943).

The demand for ready-made interior doors will be correspondingly great. When housing schemes, many of them subsidized by the Government, were initiated after the war of 1914-18, imported doors of white pine came entirely from Sweden, while the Pacific Coast mills of the United States supplied doors of Oregon pine. Canada was not a supplier, apparently because Canadian mills could not compete with those in Sweden on account of the comparatively short sea voyage from that country which made cheap freights possible, nor with the United States because of its cheaper mass-production methods developed to meet the demand of an extensive home market. It is noteworthy, however, that a large but unknown proportion of the doors purchased at that time was manufactured in the United Kingdom from Douglas fir produced in British Columbia as well as in the United States.

These sources continued to meet requirements until the position was altered by the introduction by the British Government in 1932 of a general ad valorem duty of 10 per cent (with certain exceptions) on imports, with provision for an Empire preference rate. Before that time imports were not subject to duty except certain commodities embodied in the Customs Tariff Act of 1876, the Safeguarding of Industries Act of 1921, the Abnormal Importations and Emergency Horticultural Products Acts of 1931, Revenue Acts, and Finance Acts. Prior to 1932, therefore, Great Britain was probably the only country that permitted imports in general, with the exceptions under these Acts, free of duty.

## OPPORTUNITIES FOR CANADIAN MANUFACTURERS

Foreign-made doors thus became subject to duty, the rate varying from time to time until to-day it amounts to 1s. 6d. per door or 20 per cent ad valorem,



whichever is the greater, on doors of a height and width of not less than six feet and two feet respectively. The introduction of this duty, which was not applicable to Canadian or other Empire doors, afforded opportunities for Canadian door-makers that were reported from time to time by the Canadian Trade Commissioners in the United Kingdom. For various reasons, one of which was the insufficient attention of Canadian makers to what is known as the "Fair List" (which will be referred to later), considerable time elapsed before Canadian doors began to arrive in any quantity.

By 1934, however, the change in the sources of supply of imported doors was noteworthy. In that year the value of Canadian doors brought into Great Britain was £139,997 as against £1,584 in 1932. As no separate statistics for imports into Scotland are published, it is not possible to state what part of these figures applied to this territory, but in any case it would be necessary to add to imports at Scottish ports for Scottish consumption the imports at ports in the south that reached Scotland by rail or coastal steamer. However, figures for direct imports at Glasgow and Leith for the year 1936 show how the position was transformed. During that year the total imports of doors at these two ports were 67,715, of which Canada supplied 51,750, or 76 per cent. In 1937 the imports into the same ports totalled 86,572, of which 80,485, or 93 per cent, were of Canadian manufacture.

#### TYPES IN DEMAND

Doors are usually brought into the United Kingdom by importers who sell to builders or, in the case of Scotland, mainly to local authorities engaged in housing schemes under the general supervision of the Department of Health for Scotland at Edinburgh. In Scotland most of the houses built between the two wars were erected by local authorities, whereas in England the majority were constructed by speculative builders.

With the war approaching what is possibly its most intensive phase, and its length unpredictable, the present may not be considered a suitable time for concentrating on post-war trade that may assume forms and be subject to controls which are not now clear-cut, but this view is not generally held locally. The more, therefore, that can be accomplished now in preparation for the immediate resumption of normal trade the more quickly can machines and men be switched from war to peace production, thus contributing to prevent the social unrest that might accompany the transition from war to peace if this preparation is long delayed.

The bulk of the doors for housing schemes are in the ordinary four-panel pattern with three-ply panels  $\frac{3}{8}$  inch thick; stiles, muntins, and top rails  $4\frac{1}{2}$  inches wide; lock rails and bottom rails 9 inches wide; and mouldings on the solid both sides. Thicknesses of frames are usually  $1\frac{5}{8}$  inch (finished) for pass doors, and  $1\frac{3}{8}$  inch (finished) for press or cupboard doors. The sizes for which there is the largest sale are:—

6' 8" x 2' 8" x ex $1\frac{3}{4}$ "	and ex $1\frac{1}{2}$ "	nominal=1"	and $1\frac{1}{8}$ "	actual
6' 8" x 2' 6" x ex $1\frac{3}{4}$ "	and ex $1\frac{1}{2}$ "	nominal=1"	and $1\frac{1}{8}$ "	actual
6' 8" x 2' 4" x ex $1\frac{3}{4}$ "	and ex $1\frac{1}{2}$ "	nominal=1"	and $1\frac{1}{8}$ "	actual
6' 6" x 2' 8" x ex $1\frac{3}{4}$ "	and ex $1\frac{1}{2}$ "	nominal=1"	and $1\frac{1}{8}$ "	actual
6' 6" x 2' 6" x ex $1\frac{3}{4}$ "	and ex $1\frac{1}{2}$ "	nominal=1"	and $1\frac{1}{8}$ "	actual
6' 6" x 2' 4" x ex $1\frac{3}{4}$ "	and ex $1\frac{1}{2}$ "	nominal=1"	and $1\frac{1}{8}$ "	actual

It is important that doors exported to Scotland be of the best quality, well seasoned, kiln-dried, and free from chips, bruises, knots, shakes or other defects. Rails, stiles, and muntins must be edge-grained and close-fitted at the joints.

A point of some importance to manufacturers is that interior doors in Scotland are usually stained, whereas in England they are generally painted. This practice, therefore, rules out the use in Scotland of doors in which there are many knots. Canadian Eastern white pine doors are therefore not likely to be

as ready sellers in Scotland as those of Douglas fir, even if the price were favourable. Before the outbreak of war the sale of slab doors was making headway in Scotland, and such doors of birch veneer might suit the trade if they are fairly free of knots.

### THE "FAIR LIST"

The majority of Canadian door-makers are no doubt by this time familiar with the fact that, so far at least as Scotland is concerned, no importers would accept an agency for or arrange for the distribution of imported doors without the maker's name and brand being registered on the "Fair List". This is a list of overseas manufacturers who have met the requirements of the joint committee in London of the National Federation of Building Trades Employers and the Amalgamated Society of Woodworkers. This committee was set up in 1921 to ensure that no manufactured joinery work made under unfair labour conditions is used by the members of the National Federation of Building Trades Employers. To that end the committee agreed to adopt certain regulations that would ensure fulfilment of its purpose. These regulations must be observed by mills abroad that desire to sell their doors and other joinery in the United Kingdom. Although one or two important Scottish contractors disregard the "Fair List" and use doors made abroad that do not meet its conditions—doors that are shipped to England and railed to Scotland—no large amount of business in the Scottish market could be hoped for by a Canadian door manufacturer under these circumstances.

The regulations of the committee are as follow:—

The National Federation of Building Trades Employers and the Amalgamated Society of Woodworkers of Great Britain set up a Joint Committee in 1921 to fulfil the functions of seeing that no manufactured joinery work made under unfair conditions is used by the members of the National Federation of Building Trades Employers. To that end the Committee agreed:—

1. That the question of whether imported joinery has been manufactured under fair conditions or not, shall be settled under the following regulations:—

- (a) That the onus of proof is to be deemed to rest upon the manufacturers of the joinery desired to be imported, hereinafter referred to as the manufacturer; that the proof required may be supplied after the following method.
- (b) The manufacturer shall get into communication with the Woodworkers' Union covering the district, or nearest district, to where the goods are being manufactured and request that Union to nominate (say six) building-trade employers of such district who are recognized as fair employers from among whom the manufacturers may select one or more to make a report as to whether the goods in question are made under fair conditions. The Union to likewise appoint a representative, or representatives, to similarly make a report. The report may be a joint report signed by all representatives or they may make separate reports. Such reports are to be sent to the manufacturer, who shall lay them in duplicate, together with a sketch of the manufacturer's trade mark, before this Joint Committee directly or through a duly appointed agent in Great Britain, which shall decide whether the goods are to be approved or not.
- (c) The manufacturer must satisfy this Joint Committee as to the correct identity of the goods imported under such permission; all goods must be branded with the Trade Mark of the manufacturer by means of a heated branding iron on the top edge of the top rail—the mark to be burnt in to a depth of one-eighth of an inch—so that the mark can be recognized after the joinery has been fixed.
- (d) All joinery so imported must be stamped with the said trade mark at the manufactory of origin, and stamps must not be sent to Great Britain for use there.
- (e) Only one trade mark will be approved for each such manufactory no matter how many selling agencies are interested in marketing the products of same in Great Britain.
- (f) Such trade mark if registered in Great Britain should be registered in the name of the manufacturer to avoid complications in the event of any change in, or transfer of, any such selling agency.

2. These regulations have been approved by the Executive of the National Federation of Building Trades Employers and the Executive of the Amalgamated Society of Wood-



workers, and in their own interests members of those bodies are requested to observe them carefully.

This arrangement has been entered into for the protection of the members of both organizations and to avoid trouble on works in progress. It will serve its purpose if loyally observed, but should any choose to disregard the regulations, it should be understood that they will be doing so at their own risk.

## FOREIGN TRADE OF INDIA IN 1942-43

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One rupee equals approximately \$0.335 Canadian)

Bombay, July 14, 1943.—The following statement on India's foreign trade during the fiscal year 1942-43 is based on summary statistics only. As in the two previous years, trade values are available by countries of origin and destination. Figures of commodity trade are to be had only in the case of the more important items. There are no data showing India's trade in commodities with particular countries.

### TOTAL TRADE

The total value of India's foreign trade during 1942-43 was Rs.3,050,015,819. Excluding the value of re-exports, the net total value was Rs.2,980,493,566. This figure is considerably less than the corresponding value for 1941-42 of Rs.4,108,470,011, which was the highest total recorded since 1929-30; it is also slightly below the 1940-41 figure of Rs.3,438,682,655.

Import values declined from Rs.1,732,701,339 to Rs.1,104,482,618, while exports of Indian merchandise fell off from Rs.2,375,768,672 to Rs.1,876,010,948.

### BALANCE OF TRADE

The unusually large favourable trade balance of Rs.643,067,333 established during 1941-42 gave way to an even higher figure during the past year, when exports exceeded imports by no less than Rs.771,528,330. This is the highest figure recorded for many years past.

### VOLUME OF TRADE

The Indian Government has discontinued the issue of unit values applying to the principal commodities involved in the country's import and export trade. It is accordingly impossible to refer in any detail to recent alterations in the physical volume of such business. It is estimated, however, that both imports and exports, in addition to showing considerable declines in total value, have undergone an even greater contraction in volume owing to increased c.i.f. prices of imports and parallel increases in those of India's principal exports.

### TRADE WITH THE BRITISH EMPIRE

The value of imports from Empire countries fell off from Rs.1,056,311,776 in 1941-42 to Rs.613,186,551 during 1942-43. This represented a much higher percentage than in the case of imports from other sources, and is to be ascribed to a large extent to the loss of Burma and Malaya as sources of supply. Exports to Empire countries, on the other hand, were well maintained, the value of Rs.1,258,591,076 comparing very favourably, under the circumstances, with the 1941-42 figure of Rs.1,489,494,583.

For 1942-43 the value of imports from Empire countries represented 55.5 per cent of the total value of imports as compared with 60.9 in the preceding year. The percentage for exports to those countries increased from 62.7 to 67.

A further aspect of this business also merits brief mention. Seven out of India's ten principal sources of supply of imports during 1942-43 are British countries: the United Kingdom, Canada, Ceylon, Bahrein, Kenya, Australia,

and the Anglo-Egyptian Sudan. Also, six of India's ten most important markets were the United Kingdom, Australia, Ceylon, South Africa, Aden, and Canada.

### IMPORT TRADE BY COMMODITIES

As already mentioned, only general information concerning India's recent imports by individual commodities is available for the year 1942-43. With the heavy decline in total import values already noted, it is obvious that corresponding decreases must be apparent in many instances. It is only in the case of tea, cloves, precious stones, and miscellaneous textile machinery, in fact, that increased values of any significance have been recorded. The largest decreases in import values, as compared with 1941-42, were for cotton yarn and piece-goods, artificial silk yarn and piece-goods, paper, teak wood, tin, hardware, sugar, and drugs and medicines.

The following table shows the values of imports of principal commodities into India during 1941-42 and 1942-43.

#### *Imports of Principal Commodities into India*

	1941-42 Rs.1,000	1942-43 Rs.1,000
Raw cotton .....	153,435	154,248
Chemicals .....	55,341	46,861
Coal-tar dyes .....	47,713	38,263
Electrical machinery .....	23,624	20,370
Cotton machinery .....	18,096	18,330
Paper .....	30,438	16,508
Electric instruments .....	24,009	16,320
Drugs and medicines .....	27,776	14,704
Copper, wrought .....	12,517	10,140
Hardware .....	21,824	10,053
Salt .....	9,802	8,872
Spirits .....	10,759	8,405
Cloves .....	4,913	8,373
Tea chests .....	12,225	7,919
Cotton piece-goods .....	44,531	7,851
Paints and colours .....	9,165	6,440
Iron and steel sheets .....	10,364	6,401

### IMPORT TRADE BY COUNTRIES

Brief reference has been made above to India's trade with Empire countries. During 1942-43 the United Kingdom re-established its traditionally sound position as the outstanding supplier of India's import requirements. The United States again held second place, although the value of imports from that country fell off considerably. Iran, hitherto a comparatively unimportant source of imports, has now attained third place as a supplier, presumably due to an increase in oil shipments, and is followed by Egypt, the source of India's recent large purchases of raw cotton. Canada now stands in fifth position among the various sources of India's overseas purchases, followed by Ceylon, the Bahrein Islands, Kenya, Australia, and the Anglo-Egyptian Sudan.

A summary of the position during 1941-42 and 1942-43 is as follows:—

#### *Imports into India by Principal Countries*

	1941-42 Rs.1,000	1942-43 Rs.1,000
United Kingdom .....	365,872	295,343
United States .....	346,108	190,068
Iran .....	60,390	178,087
Egypt .....	46,941	81,179
Canada .....	67,294	55,354
Ceylon .....	34,088	43,763
Bahrein Islands .....	33,752	40,198
Kenya .....	67,931	38,735
Australia .....	49,506	33,425
Anglo-Egyptian Sudan .....	36,777	30,955



## EXPORT TRADE BY COMMODITIES

The year's export trade was noteworthy for a substantial improvement in the value of shipments of cotton piece-goods and for a smaller but still valuable improvement in business in sugar, cardamoms, oilcakes, castorseed, groundnuts, rapeseed, sesamum, raw silk, and leather. Decreased values were principally in evidence in the case of gunny cloth, raw cotton, tea, cotton twist and yarn, raw jute, raw wool, and lac.

Following is a statistical summary of India's export trade by principal commodities during the past two years:—

*Exports from India by Principal Commodities*

	1941-42 Rs.1,000	1942-43 Rs.1,000
Cotton piece-goods .....	265,181	387,565
Tea .....	395,701	316,064
Gunny cloth .....	341,101	185,322
Gunny bags .....	181,220	171,339
Raw jute .....	104,173	90,133
Groundnuts .....	49,556	51,726
Cotton twist and yarn .....	73,783	38,175
Raw cotton .....	159,402	36,420
Linseed .....	39,998	31,008
Lac .....	49,174	28,902
Raw skins .....	38,877	28,148
Tanned hides .....	38,882	26,384
Manganese ore .....	24,632	19,062
Tanned skins .....	17,373	18,824
Unmanufactured tobacco .....	18,503	13,785

## EXPORT TRADE BY COUNTRIES

The 1942-43 record of Indian export trade by countries of destination is marked by the elimination of shipments to Burma, Malaya, and the Netherlands East Indies. The loss of this business accounted to a large extent for the decline in values as between 1941-42 and 1942-43. Apart from this, reduced values were recorded in the case of the United Kingdom, the United States, Canada, China, Portuguese East Africa, and the South American markets. Compensating increases occurred in the trade with Ceylon, South Africa, Australia, Arabia, Iraq, Iran, and Syria.

Details of India's export trade to principal markets during the past two years are given in the following table:—

*Exports from India by Principal Countries*

	1941-42 Rs.1,000	1942-43 Rs.1,000
United Kingdom .....	768,498	573,426
United States .....	465,914	277,934
Australia .....	123,179	161,270
Ceylon .....	97,618	144,548
South Africa .....	58,849	104,938
Iraq .....	32,527	79,345
Iran .....	13,395	42,570
Arabia .....	21,583	42,165
Aden .....	29,663	41,247
Canada .....	64,715	37,800

## SUMMARY

There is comparatively little scope for commenting in any detail on the foregoing statistics of India's foreign trade during 1942-43. Reduced values of both imports and exports reflect various conditions imposed or induced by the war, involving the loss of markets and sources of supply, the effects of trade control, the shortage of shipping, and similar factors. In general, however, it is apparent that these trade values have been surprisingly well maintained.

One aspect of the question which is of more than passing interest is the concentration and extension of India's foreign trade with the countries of the Middle East, Africa, and Australia. The experience gained in reciprocal trade with these countries is more than likely to lead to substantial future benefits.

Note may also be made of the recovery made by the United Kingdom of undisputed leadership among all countries as the principal source of supply of India's imports and as her largest export market. Whatever may be the outcome of the present situation, Indian foreign trade must continue for many years to be closely associated with the supply of many essential goods from the United Kingdom and with United Kingdom demand for many of this country's principal exports.

## NEWFOUNDLAND PRICE CONTROL MEASURES

R. P. BOWER, ACTING TRADE COMMISSIONER

St. John's, September 8, 1943.—Under the Emergency Powers (Defence) Act, 1940, the Commissioner for Public Health and Welfare has announced a number of new orders regulating the prices of certain commodities sold in Newfoundland.

By Order No. 26 the maximum wholesale and prices of cabbage shall not exceed 8 cents and 10 cents per pound respectively. The order is applicable to cabbage imported into Newfoundland under Items 130(a) and 130(b) of Schedule A to the Revenue Act, 1939, as amended by the Revenue (Amendment) Act No. 17 of 1939, and to cabbage grown or produced in Newfoundland.

Order No. 27 applies to confectionery in bars or packages normally sold at 5 cents each and provides that the price of this product, when imported into Newfoundland under Item No. 119 of Schedule A to the Revenue Act, 1939, or manufactured or produced in Newfoundland (whether sold for cash or on credit) at any place in Newfoundland except Labrador, shall not exceed 7 cents per bar or package.

Order No. 28 applies to sweetened condensed milk in tins, imported into Newfoundland under Item No. 94 of Schedule A to the Revenue Act, 1939, as amended by the Revenue (Amendment) Act, No. 17 of 1939, and establishes the maximum retail price of this product (whether sold for cash or on credit) in tins of approximately 14½ ounces at 23 cents per tin for Nestle's brand and 25 cents per tin for all other brands.

## ARGENTINE IMPORTS FROM CANADA IN 1942

J. A. STRONG, CANADIAN COMMERCIAL ATTACHÉ

### II. Notes on Principal Products

Market conditions and prospects in respect of some of the principal commodities imported into Argentina from Canada are summarized in the following notes:—

#### FARM IMPLEMENTS

Sales of farm machinery in Argentina have been on a very reduced scale since the outbreak of war. The Argentine grain producer is having a difficult time, due to the restricted or complete lack of markets for grain except for use as fuel. Since the Government is not disposed to encourage the farmer to buy new implements and grow more grain, guaranteed minimum prices are low. The increasingly high prices that have to be charged for imported machines, due to increased manufacturing costs, ocean freights and insurance, are in inverse ratio



to the local farmers' income based on the low grain prices. In any event few implements are now available for purchase in Argentina.

The lighter tillage implements, including horse-drawn ploughs, cultivators and scufflers, are made in Argentina by purely local firms. Combine-harvesters also are partially fabricated and assembled, but other heavy implements and machines, such as tractor ploughs, wheeled seed drills, mowers, farm tractors and the bulk of the combines, are imported from Canada and the United States. At present Argentina can import only its minimum requirements in agricultural implement repairs.

The following table shows the imports of farm implements into Argentina in recent years:—

*Argentine Imports of Farm Implements*

	1942 No.	1941 No.	1940 No.	1939 No.	1938 No.
Ploughs, ordinary, unfinished .....	nil	nil	47	353	226
Ploughs, ordinary, finished .....	389	523	1,883	2,767	8,255
Ploughs, wheeled .....	67	146	2,790	3,077	11,661
Ploughs, not specified .....	1	nil	123	118	115
Fanning-mills .....	1	nil	150	135	375
Mowers, including lawn .....	2,208	1,055	1,045	1,590	1,663
Combines .....	nil	60	1,098	2,342	3,212
Corn-shellers, large .....	nil	7	1	2	4
Seeders, hand and plough .....	100	nil	332	601	2,222
Seeders, wheeled .....	61	134	1,312	3,739	12,866
Rollers, vineyard .....	214	197	454	863	1,064
Binders and headers .....	149	208	1,596	2,126	3,016
Threshers .....	nil	1	3	181	138
Harrows .....	10	234	1,670	3,507	7,899
Horse-rakes .....	20	86	380	663	2,229
Tractors, wheel .....	98	366	934	1,070	5,041
Repairs and parts .....	Tons 558	Tons 1,485	Tons 2,635	Tons 2,979	Tons 6,173
Other repairs .....	90	196	678	691	1,800
	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.
Ploughshares, unfinished .....	6	4	78	115	232
Ploughshares, finished .....	6,449	5,313	16,016	13,465	45,929
Plough repairs .....	3,946	7,443	15,445	17,358	56,500
Corn-shellers .....	952	2,168	2,267	2,895	5,362
Hay-pressers .....	242	1,212	1,554	2,264	3,542
Harrow teeth .....	10	38	2,788	6,158	7,674

*SEED POTATOES*

Argentina has been an important market for certified seed potatoes from Canada. Due to lack of shipping space, there were no imports in 1942, but there will be a market for Canadian seed as soon as shipping space is again available.

The following table shows the quantities of certified seed imported into Argentina in recent years:—

*Argentine Imports of Seed Potatoes*

	1937-8	1938-9	1939-40	1940-41	1941-2
	1,000 Crates of Approx. 2 bus. Each				
Canada .....	479	137	277	156	64
United States .....	16	21	89	61	13
Denmark .....	309	154	105	...	..
Holland .....	18	17	84	...	..
Estonia .....	53	12	32	...	..
Germany .....	23	1	...	...	..
Other countries .....	83	6	6	...	..
Total .....	981	348	593	217	77

*NEWSPRINT*

A total of 84,113 tons of newsprint arrived in Argentina in 1942. Canada supplied approximately one-half of this quantity and Sweden was the other principal supplier. Newfoundland has one important purchaser of newsprint

in Argentina. The shortage of shipping space was the dominant factor in the market situation in 1942.

Imports of newsprint in the years 1937 to 1942 were as follows:—

*Argentine Imports of Newsprint*

	1937	1938	1939	1940	1941	1942
			Figures in Short Tons			
Canada .....	71,253	39,765	35,965	80,161	96,624	43,877
Newfoundland .....	....	....	1,701	20,313	35,110	6,378
United States .....	....	....	113	640	1,021	1,414
Finland .....	46,484	49,315	59,846	14,280	14,087	....
Norway .....	35,661	22,041	21,106	12,605	....	....
Sweden .....	29,338	18,887	29,581	11,029	1,489	32,444
Germany .....	3,055	8,770	12,493	171	....	....
Other countries .....	187	468	....	....	....	....
Total .....	185,978	139,246	160,805	139,199	148,331	84,113

Argentina plans to obtain 36,000 tons of newsprint from Sweden in 1943 and the remainder of its requirements will come from Canada and Newfoundland. The steamship service between Argentina and Sweden was suspended for the period January to May, but Swedish steamers are due shortly again in Buenos Aires.

DOMESTIC PRODUCTION

Argentina does not produce newsprint, although some locally made paper has been used by the newspapers at times recently, due to the reduced stocks in 1942. There is a large domestic production of most all other classes and qualities of paper, except the heaviest grade of wrapping paper as used for cement bags, and the best quality of book paper. Argentina produced 75 per cent of its paper requirements in 1942. The Argentine paper mills use imported wood-pulp straw cellulose produced in Argentina from wheat, and flax straw and a small amount of local groundwood pulp drawn from cultivated domestic poplar plantations. Argentina has no natural stands of softwoods suitable for wood-pulp within reasonable transportation distance of the main centres of population.

WOOD-PULP

Sweden shipped 44,653 tons of wood-pulp to Argentina in 1942, and a small quantity came from North America. This was the largest quantity imported since 1937. Further shipments are expected from Sweden, so that the local mills should be ensured of supplies of raw material.

There is only one rayon mill consuming wood-pulp in Argentina. This is a new industry, begun in 1939, and the mill received 4,134 tons of wood-pulp from the United States in 1942.

The following table shows the quantities and origin of the wood-pulp received in Argentina since 1937.

*Argentine Imports of Wood-pulp*

	1937	1938	1939	1940	1941	1942
			Figures in Short Tons			
For paper—						
Sweden .....	29,817	24,859	32,704	16,964	17,308	44,653
Finland .....	9,310	5,856	11,236	7,110	9,556	....
Norway .....	5,362	3,947	2,211	1,401	....	....
United States .....	1,111	229	272	11,543	14,027	1,678
Canada .....	....	....	....	54	2,421	....
Newfoundland .....	....	....	....	....	709	141
Germany .....	1,651	3,433	1,010	12	....	....
Total .....	47,251	38,324	47,433	37,184	44,021	46,472
For rayon—						
United States .....	....	....	1,916	1,795	4,291	2,825
Sweden .....	....	....	....	....	....	1,309
Total .....	....	....	1,916	1,795	4,291	4,134



The quantities and sources of the raw materials used by the Argentine paper-making industry are shown in the following table:—

*Raw Materials Used by Argentine Paper Mills*

	1935	1938	1939	1940
Chemical pulp—		Figures in Short Tons		
Domestic (straw)* .....	5,242	16,276	23,038	27,676
Imported wood* .....	31,403	29,501	33,333	39,883
Groundwood pulp—				
Domestic .....	....	1,342	2,649	5,302
Imported .....	....	13,647	12,166	3,876
Total pulp .....	36,645	60,766	71,186	76,737
Scrap paper .....	44,542	68,026	77,077	96,417
Rags .....	377	1,569	1,316	1,277
Resin .....	n.a.	1,051	1,217	1,442
Aluminium sulphate .....	n.a.	2,776	3,553	3,736
Caola .....	n.a.	2,883	3,157	1,009
Talc .....	n.a.	2,082	2,325	4,064

\* Includes groundwood pulp in 1935.

The quantity of paper produced in Argentina increased twofold between 1935 and 1940, and there has been another large increase during the past two years. The number of workers employed in the industry in 1940 was 4,430 as against 4,040 in 1939, 3,624 in 1938, and 2,643 in 1937.

The following table shows the trends in production of the principal types of paper in Argentina:—

*Paper Production in Argentina*

	1935	1937	1938	1939	1940
Paper—		Figures in Short Tons			
Book .....	16,311	16,528	18,150	19,105	21,690
Writing .....		4,513	5,526	6,474	9,403
Wrapping .....		45,274	52,786	57,940	63,955
Linings .....	2,831	2,629	2,999	2,144	2,073
Toilet .....	873	906	1,439	2,632	3,179
Other .....	881	7,928	6,039	6,339	5,073
Cardboard .....	13,880	16,398	18,297	24,278	30,108
Grey .....	....	....	....	17,136	21,788
Corrugated .....	....	....	....	4,945	5,245
Leather .....	....	....	....	1,288	1,368
Other .....	....	....	....	909	1,705
Bristol board .....	4,665	4,975	5,790	5,001	7,800
Boxes and bags .....	3,100	4,579	6,553	4,885	6,294
Total .....	73,883	103,630	117,579	153,076	179,681

**HEAVY WRAPPING PAPER**

Argentina has always imported from 6,000 to 8,000 tons of heavy wrapping paper annually, principally for making cement and lime bags. Sweden supplied 20,685 tons of this type of paper in 1942. Part of this Swedish paper went into stock, and some is being used as a substitute for other papers or products.

Imports in the years 1937 to 1942 of wrapping paper weighing over 25 grams per square metre were as follows:—

*Argentine Imports of Heavy Wrapping Paper*

	1937	1938	1939	1940	1941	1942
			Figures in Short Tons			
Sweden .....	5,169	5,574	5,293	2,604	2,791	20,685
Norway .....	289	767	306	264	....	....
Finland .....	759	99	382	888	1,138	....
United States .....	529	425	349	2,366	1,805	1,562
Canada .....	....	....	....	1,012	943	311
Newfoundland .....	....	....	....	....	....	235
United Kingdom .....	211	147	84	122	113	....
Other countries .....	1,416	1,942	724	697	11	....
Total .....	8,373	8,954	7,138	7,953	6,801	22,793

## PAPERBOARDS

Argentina imports some quantities of wallboard for building construction. Finland was the principal supplier before the outbreak of war, but Sweden shipped a large quantity in 1942.

Imports of paperboard in recent years were as follows:—

*Argentine Imports of Paperboard*

	1938	1939	1940	1941	1942
		Figures in Short Tons			
Finland .....	5,489	5,201	3,184	3,970	115
Sweden .....	1,381	3,365	1,813	552	9,505
United States .....	698	701	1,955	933	1,545
Canada .....	79	48	47	198	795
Other countries .....	5,660	3,817	1,494	131	....
Total .....	13,307	13,132	8,493	5,784	11,960

Imports of all other types of paper into Argentina were as follows:—

*Argentine Imports of Other Papers*

	1938	1939	1940	1941	1942
		Figures in Short Tons			
Book paper .....	24,535	25,366	32,210	15,732	25,676
Cardboard, fine .....	3,413	2,435	4,118	2,460	6,047
Cardboard, prepared .....	121	184	168	64	106
Bristol board .....	2,080	2,164	2,074	705	2,885
Waterproof .....	172	101	97	7	....
Paper in blocks .....	57	7	28	2	1
Cigarette .....	892	807	766	536	1,189
Writing .....	8	4	6	1	1
Toilet .....	1,502	897	457	150	349
Blotting .....	336	390	471	394	423
Tissue .....	198	146	116	96	77
Rolls, tel. ....	121	140	134	23	33
Pattern .....	1	1	1	1	1
Filter .....	70	63	73	50	91
Photo .....	180	219	110	150	146
Ferro-prussic .....	66	23	9	4	4
Carbon, hand .....	21	20	19	11	19
Carbon, machine .....	24	19	18	13	17
Cellophane .....	531	568	902	661	1,107
Emery paper .....	153	144	146	133	135
Total .....	34,481	33,698	41,923	21,193	38,307

## LUMBER

Before the outbreak of war Argentina consumed from 250 to 300 million board feet of softwood lumber annually. Almost one-third of this quantity was Southern pitch pine imported through the gulf ports of the United States. In 1942 Argentina received only 5 million board feet of pitch pine, and of the 207 million feet of lumber that did arrive last year, 180 million was Brazilian pine and 11 million came from Sweden. There were no arrivals of lumber from the West Coast of America during the last half of 1942.

Argentine imports of lumber in recent years were as follows:—

*Argentine Imports of Lumber*

	1938	1939	1940	1941	1942
		Figures in Million Ft. B.M.			
North America—					
Douglas fir:					
Canada .....	1,720	1,825	67	15,365	2,253
United States .....	26,127	35,146	25,134	12,464	5,619
Pacific hemlock .....	149	....	13	....	....



*Argentine Imports of Lumber—Con.*

	1938	1939	1940	1941	1942
North America—Con.		Figures in Million Ft. B.M.			
Sitka spruce .....	176	72	3,343	5,566	1,967
California white pine .....	1,682	2,698	1,235	1,378	1,206
California redwood .....	....	38	334	52	90
Canadian white pine .....	18	37	43	73	143
Southern pitch pine .....	70,127	65,800	47,297	26,581	5,111
Brazilian pine .....	106,574	143,872	109,042	152,930	179,645
Swedish softwoods .....	....	....	....	....	11,142
Other European .....	51,280	49,957	14,220	....	....
Total lumber .....	257,853	299,545	200,791	214,409	207,176
		Figures in Tons			
Plywood .....	21,796	20,738	8,842	12,136	12,224
		Figures in Thousands			
Oak casks .....	441	608	338	485	515
Brazilian handles .....	126	117	121	132	137

## ASBESTOS FIBRE

The fabrication of asbestos fibre sheets for building construction and asbestos piping is a new industry in Argentina. Three important local factories have begun operations since 1938.

The following table shows the imports of asbestos fibre from Canada, Rhodesia and other countries since 1937:—

*Argentine Imports of Asbestos Fibre*

	1937	1938	1939	1940	1941	1942
			Figures in Short Tons			
Canada .....	36	36	1,256	284	2,333	3,274
United States .....	306	211	258	1,645	642	500
Rhodesia .....	294	469	742	881	1,254	1,258
South Africa .....	....	....	78	....	12	557
United Kingdom .....	389	449	543	729	726	962
Russia .....	....	....	200	101	....	....
Other countries .....	81	46	63	17	9	3
Total .....	1,106	1,211	3,140	3,657	4,976	6,554

## CALCIUM CARBIDE

Before the outbreak of the war Argentina imported its requirements in calcium carbide from Europe. There has been an increase in consumption, due to the increased use in this country of acetylene welding in industry.

The following table shows the imports of calcium carbide since 1937:—

*Argentine Imports of Calcium Carbide*

	1937	1938	1939	1940	1941	1942
			Figures in Short Tons			
Europe .....	8,592	7,423	8,082	7,924	1,136	622
South Africa .....	....	....	....	....	....	237
United States .....	....	....	....	721	5,723	8,373
Canada .....	....	....	....	1,697	1,100	2,354
Brazil .....	....	....	127	127	94	227
Japan .....	2,415	1,120	....	63	....	....
Chile .....	12	....	....	....	192	250
Mexico .....	....	....	....	200	....	140
Total .....	11,019	8,543	8,209	10,732	8,245	12,203

## TRADING WITH THE ENEMY

### CANADIAN LIST OF SPECIFIED PERSONS

Inquiries received from time to time by the Department of Trade and Commerce indicate that Canadian exporters still do not understand clearly the composition and object of the Canadian List of Specified Persons established under the authority of the Consolidated Regulations Respecting Trading with the Enemy (1939).

The List of Specified Persons is a published list of firms and persons in neutral countries with whom intercourse or transactions of a commercial, financial, or any other nature without official permission constitutes the offence of trading with the enemy.

The List forms an integral part of the machinery designed to prevent enemy countries from obtaining any economic or financial assistance from British Empire or neutral countries. It consists principally of concerns controlled directly or indirectly from enemy territory (including enemy-occupied territory and certain other territories proscribed under the Trading with the Enemy Regulations), and of firms or individuals who have persistently evaded, or tried to evade, the contraband or enemy export controls. Persons controlled from enemy territory are enemies within the meaning of the Trading with the Enemy Regulations, whether or not they are included in the List of Specified Persons.

Additions to the List are made only after careful investigation in order that unnecessary damage to neutral or British Empire interests may be prevented. The Custodian of Enemy Property, Department of the Secretary of State, Ottawa, is always willing to consider representations from importers and exporters and other interested parties and to reply to inquiries on questions, such as the completion of unfinished transactions with persons placed on the List of Specified Persons. The Office of the Custodian is also prepared to advise, in cases where doubt is felt as to the legality or desirability, from the point of view of trading with the enemy, of dealings with persons not on the List of Specified Persons.

Enemy subjects who are not in enemy territory are not necessarily enemies within the meaning of the Trading with the Enemy Regulations, and it is not intended to specify persons in neutral countries as enemies merely because they are enemy subjects. Many subjects of enemy countries carry on business in neutral countries without assisting these countries, and in some cases are of assistance in the promotion of Canadian trade.

Nevertheless, enemy subjects, wherever they may be carrying on business, should be regarded with suspicion, and Canadian traders who employ enemy subjects as agents in neutral countries would be well advised to consider displacing them either by British agents or by nationals of the country concerned. Firms who experience difficulty in obtaining suitable alternative agents should consult the Department of Trade and Commerce, Ottawa, or the appropriate Canadian Government Trade Commissioners.

Copies of the Consolidated List of Specified Persons are obtainable from the Distribution Branch, Government Printing Bureau, Ottawa. The price is 25 cents each for single copies, with a reduction for purchases of 100 copies or more. The list contains the names of more than 9,000 persons, principally in Europe, Latin America, Japan and China. It is subject to revision from time to time, and additions, amendments and deletions which are found necessary are published in the *Canada Gazette*. Canadian firms that have extensive dealings with persons in neutral countries are strongly advised to obtain copies of the consolidated list and at the same time to arrange to receive revisions as published.



## CONTROL OF EXPORTS FROM CANADA

### REGULATIONS AMENDED

By Export Permit Branch Order No. 78, effective September 15, 1943, the Export Permit Regulations are amended as follows:—

1. The following commodities are exempted from requiring an export permit when shipped from Canada to the United States:

#### GROUP 6—NON-FERROUS METALS AND THEIR PRODUCTS

Cobalt: cobalt ores and concentrates, residues, metal and alloys (including stellite), salts and compounds.

#### GROUP 7—NON-METALLIC MINERALS AND THEIR PRODUCTS

Grindstones of natural abrasives

Mica scrap and waste

Porcelain insulators

Pumice, calcareous tufa, pumice stone and lava

2. Regulation 43 is amended by the addition of the following:—

"If purchases by United States tourists are forwarded to the United States by freight or express, or by any mode of transportation other than with the departing tourist, the Export Entry Form B-13 should be endorsed 'bona fide tourist purchase' and be accompanied by a United States Customs Declaration Form 6059 or Form 3349, properly endorsed, in order that the goods may be allowed to proceed without an export permit."

### ADDITIONS TO LIST OF PRODUCTS AFFECTED

By Order in Council P.C. 7116, effective September 15, 1943, the following are added to the list of commodities the exportation of which is prohibited except under permit from the Export Permit Branch, Department of Trade and Commerce, Ottawa:

#### GROUP 2—ANIMALS AND ANIMAL PRODUCTS

Buttermilk, liquid

Whey, liquid

Pike, fresh or frozen, filleted or not

#### GROUP 4—WOOD, WOOD PRODUCTS AND PAPER

Wood fuel in the form of cordwood or slabwood

*Note.*—Powdered or concentrated whey and buttermilk are already under export control, being included in the item "Milk Products, Concentrated".

## TARIFF CHANGES AND TRADE REGULATIONS

### Ireland

#### SUSPENSION OF QUOTA ON IMPORTS OF CERTAIN ELECTRIC FILAMENT LAMPS

Mr. E. L. McColl, Canadian Trade Commissioner at Dublin, writes under date August 12, 1943, that by an order of the Minister for Industry and Commerce dated July 12, 1943, the import quota restrictions on the entry into Ireland of certain electric filament lamps have been suspended for the period August 1, 1943, to January 31, 1944. The last quota announced was for the period February 1, 1943, to July 31, 1943, and permitted the importation of 100,000 lamps of 100/250 volts, 1/1,500 watts, for that period. This measure of protection was first instituted in 1936 in order to give the then newly formed company (Solus Teoranta, Bray, Co. Wicklow) an opportunity to establish itself.

The suspension of the foregoing restriction is designed to safeguard the local trade in the event of the Irish factory finding it difficult to manufacture any particular lamp, due to wartime restrictions on imports of raw materials, should supplies have to be sought in other markets.

A report on the production of electric lamps in Ireland was published in *Commercial Intelligence Journal* No. 2013, (August 29, 1942), page 205.

### Argentina-Chile

#### PROPOSED CUSTOMS UNION

Mr. M. J. Vechsler, Canadian Commercial Attaché at Santiago, Chile, reports that, under an Argentine-Chilean agreement, a commission is to be set up, composed of six members from each country, for the purpose of studying and proposing a basis for a customs union of the two countries. This customs union is to be open for the adherence of any contiguous country.

### FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING SEPT. 13, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, September 13, 1943, and for the week ending Tuesday, September 7, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Sept. 7	Nominal Quotations in Montreal Week ending Sept. 13	Official Bank Rate
Great Britain. . . . . Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. . . . . Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico . . . . . Peso	.4985	.2284	.2284	4
Jamaica . . . . . Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. . . . . Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2781	.2775	—
Brazil. . . . . Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana . . . . . Dollar	1.0138	.9313	.9313	—
Chile . . . . . Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. . . . . Peso	.9733	.6358	.6358	4
Venezuela . . . . . Bolivar	.1930	.3330	.3330	—
Uruguay. . . . . Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5873	.5873	—
South Africa. . . . . Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India . . . . . Rupee	.3650	.3359	.3359	3
Australia . . . . . Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. . . . . Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—



## CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

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Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

### GENERAL

**Annual Report of the Department of Trade and Commerce.**—A summary of the activities of each of its Branches, including the Foreign Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

**Annual Report of the Board of Grain Commissioners.**—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

**Annual Report of Electricity and Gas Inspection Services.**—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

**Annual Report of Dominion Grain Research Laboratory.**—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

**List of Grain Elevators.**—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

### PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

**Commercial Intelligence Journal.**—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

### PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics:—

**Census of Canada.**

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

Canada, 1943. (Price 25 cents.)

Canada Year Book. (Price \$1.50.)

Trade (Internal), prices, cost of living, etc. (Price \$1 per annum.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

News Bulletin, Daily (Price \$1.50 per annum). Weekly (Price \$1.00 per annum.)

# COMMERCIAL INTELLIGENCE SERVICE

**C. M. CROFT, Director**

## Argentina

**J. A. STRONG**, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

**Melbourne:** **FREDERICK PALMER**, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

**Sydney:** **K. F. NOBLE**, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

## Brazil

**L. S. GLASS**, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrópole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

## British India

**PAUL SYKES**. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British West Indies

**Trinidad:** **G. A. NEWMAN**. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, British Guiana, and Dutch Guiana.) *Cable address, Canadian.*

**Jamaica:** **F. W. FRASER**, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## Chile

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## Colombia

**M. T. STEWART**, Acting Trade Commissioner. Address for letters—c/o Royal Bank of Canada, Bogota. (Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

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## Ireland

**E. L. MCCOLL**, 66 Upper O'Connell Street, Dublin (*Cable address, Canadian*); and 36 Victoria Square, Belfast.

## Mexico

**C. S. BISSETT**. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*



**Newfoundland**

R. P. BOWER, Acting Trade Commissioner, Circular Road, St. John's. *Cable address, Canadian.*

**New Zealand**

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

**Peru**

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

**South Africa**

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

**United Kingdom**

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes the South of England and East Anglia). *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes the Midlands, North of England, and Wales.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

**United States**

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Legation.

New York City: D. S. COLE, Senior Trade Commissioner in the United States, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: Acting Trade Commissioner, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

# Commercial Intelligence Journal

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Minister:

Hon. James A. MacKinnon, M.P.

Acting Deputy Minister:

Oliver Master

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## IMPORT RECOMMENDATIONS NOT REQUIRED FOR ALL EXPORTS TO CUBA AND MEXICO

The application of the decentralization procedure to exports to Cuba and Mexico was announced in *Commercial Intelligence Journal* No. 2061 (July 31, 1943). Some exporters do not appear to have noted that import recommendations from the control authorities of these two countries are *not* required for all commodities as a basis for the issuance of export permits and the acceptance of freight space applications. Before asking their buyers in Cuba and Mexico to furnish import recommendations, exporters should inquire from the Export Permit Branch, Ottawa, whether these documents are required for the commodity concerned.

## ECONOMIC CONDITIONS IN BRAZIL IN 1942

### I

L. S. GLASS, CANADIAN COMMERCIAL ATTACHÉ

(The average value of the cruzeiro in 1942 was U.S.\$0.0507 as against U.S.\$0.0510 in 1941; one kilogram equals 2.2 pounds)

Rio de Janeiro, July 31, 1943.—Economic conditions in Brazil during 1942 continued to be generally good. With the declaration of war by the United States against the Axis powers, Brazil was brought more closely within the sphere of hostilities. Submarine activities in the southern shipping lanes became serious and eventually were the direct cause of bringing Brazil into the war. For a considerable period during 1942, lack of shipping space greatly hampered Brazilian foreign trade but, despite this unfavourable situation, for the whole



year it was considerably better than for 1941 and resulted in a favourable balance of trade for Brazil. During the earlier months of 1942 the curtailment of shipping resulted in a shortage of many raw materials for Brazilian industries, even to the point where many factories were obliged to shut down temporarily. Fuel became alarmingly scarce, and it was necessary to control inland transportation rigidly to ensure the maintenance of essential supplies. The operation of private motor-driven vehicles was prohibited in order to conserve gasoline for essential requirements, while commercial vehicles were strictly rationed. Already in 1941 Brazil had effected considerable readjustment made necessary by the loss of European markets and sources of supply, and local industries are rapidly filling the gaps caused by these losses. The refugee capital that moved to Brazil during the previous four years remained more or less dormant until the end of 1941. Then, apparently, the owners of this capital, recognizing that much time would elapse before they could hope to return to their own countries, put it to work in Brazil.

A striking example is the revival in Brazil of the diamond-cutting industry which flourished in Holland and Belgium. The financiers and cutters from those countries brought their capital, their uncut stones, their tools and their skill to Brazil, but until the end of 1941, although the necessary raw materials are plentiful in this country, few of them engaged in the trade. Suddenly, however, operations began, and to-day there are in the neighbourhood of three thousand cutters engaged in this industry. It is expected that, whether or not the diamond trade is revived in Europe after the war, Brazil will continue to be an important centre of the industry.

#### EXTERNAL TRADE

As a wartime measure, publication of official statistics of Brazil's foreign trade has been suspended. However, there is no doubt that this trade showed very satisfactory results. The loss of certain markets was compensated by the development of new ones, particularly in South America and South Africa, where Brazil has found a ready sale for cotton textiles and other manufactured goods. The conclusion of special agreements whereby the United States absorbs the exportable surplus of certain Brazilian products, and in some instances actively undertakes the development of their production, contributed to reducing the effects of the war on Brazilian economy.

The total value of Brazil's external trade in 1942 was 12,139,000,000 cruzeiros, slightly less than in 1941 when the value was 12,244,000,000 cruzeiros. In dollars the values for the respective years were approximately \$619,089,000 and \$640,600,000. The physical volume, however, owing to the shortage of shipping space and loss of certain markets, fell off from 7,785,000 tons in 1941 to 5,663,000 tons.

While the value of exports increased from 6,729,000,000 cruzeiros (\$359,-215,000) to 7,495,000,000 cruzeiros (\$382,245,000) in 1942, the volume decreased from 3,536,000 tons in 1941 to 2,660,000 tons. Although lack of shipping space undoubtedly accounted to a considerable extent for this situation, an additional factor, and one which may continue to affect Brazilian economy after the war, is the greater demand, and hence the greater production, of higher value-to-volume ratio goods in Brazil for export than ever before. This is bringing about a more diversified trade and has increased the importance of many products never before exported. Among these are cotton and leather manufactures, gems, and minerals, and it is quite probable that these and many others will continue to be important items of export after the close of the war.

With the increasing restrictions on the manufacture and export of civilian consumer goods in Canada, the United States and Great Britain, and the scarcity of shipping space, it was inevitable that imports would be reduced. Volume

decreased from 4,050,000 tons in 1941 to 3,003,000 tons in 1942, a reduction of approximately 25 per cent. Value likewise decreased from 5,514,000,000 cruzeiros (\$281,427,000) to 4,644,000,000 cruzeiros (\$236,844,000).

#### BALANCE OF TRADE

In 1942 Brazil had a favourable balance of trade amounting to 2,851,000,000 cruzeiros. This balance is higher than in 1941 (1,215,000,000 cruzeiros) and was the greatest since 1931 if not in the country's history.

The following table shows the balance of trade for each of the past five years; values for 1941 and 1942 are approximate, as statistics of gold values are no longer available:—

#### *Brazil's Balance of Trade*

	£ Gold	U.S.\$
1938 .....	28,760	169,451
1939 .....	5,497,184	44,382,318
1940 .....	1,536,707	12,662,559
1941 .....	20,794,000	77,787,742
1942 .....	41,883,000	145,401,000

#### FEDERAL FINANCES

The federal budget for the financial year 1942 estimated revenue at 4,388,756,000 cruzeiros and expenditure at 5,026,077,000 cruzeiros, showing a budgetary deficit of 637,321,000 cruzeiros. Both revenue and expenditure were budgeted slightly higher than in 1941, 6 per cent for revenue and 3 per cent for expenditure. According to a recent statement of the Minister of Finance, the revenue realized was only 12,176,343 cruzeiros lower than estimated, and expenditure was 390,485,777 cruzeiros lower, thereby reducing the budgeted deficit to 259,011,566 cruzeiros.

During the year, however, largely owing to Brazil's increased wartime activities and to extraordinary expenditures necessitated directly or indirectly by wartime conditions, special credits for government expenditures had to be opened, which increased the deficit to 1,371,433,601 cruzeiros.

#### CURRENCY CIRCULATION

At the end of 1942 the paper currency circulation amounted to 8,237,822,383 cruzeiros, of which 2,766,309,900 cruzeiros were issued during the year.

Paper money in circulation fluctuated from a minimum of 6,022,000,000 cruzeiros at the end of the first quarter of the year to a maximum of 8,653,000,000 cruzeiros in October and then decreased to the total shown for the end of the year, an increase of slightly more than 24 per cent as compared with 1941.

Although apparently the policy of the Brazilian Government over a period of years has been one of mild inflation, an increase of 24 per cent in the currency circulation in one year may be considered alarming unless it is borne in mind that during 1942 the internal industrial activity of Brazil expanded to an unprecedented extent, and undoubtedly a greater amount of currency was necessary to meet this growing activity. It is estimated that approximately 70 per cent of the increased circulation was necessitated by conditions.

#### \* STOCK EXCHANGE

The increase in transactions on the Brazilian stock exchange, noteworthy since 1931, continued in 1942. The value of all transactions was 1,305,763,000 cruzeiros as against 1,167,453,000 cruzeiros in 1941, an increase of 11·8 per cent.

Dealings in private securities increased from 233,000,000 cruzeiros in 1941 to 393,000,000 cruzeiros in 1942, which offset the slight decreased trading in government issues from 934,000,000 cruzeiros in 1941 to 913,000,000 cruzeiros.



Indices, on the 1933 basis, increased as regards total transactions from 250 in 1940 to 350 in 1942, for government bonds from 294 to 352, and for industrials from 151 to 344.

#### BANKING

There was a further increase in bank deposits from 16,531,000,000 cruzeiros in 1941 to 21,541,000,000 cruzeiros in 1942, which is the highest since 1928.

Loans, including those by the Bank of Brazil to other banks, increased from 15,894,000,000 cruzeiros in 1941 to 18,194,000,000 cruzeiros. This amount includes loans to the Government of 3,327,000,000 cruzeiros as against 3,027,000,000 cruzeiros in 1941 and 14,867,000,000 cruzeiros for the development of the commercial, agricultural and industrial activities of the country. In 1941 loans for similar purposes totalled 12,867,000,000 cruzeiros. There was, therefore, an increase of 16 per cent in 1942.

Cash on hand at the end of the year for all banks increased substantially, from 2,456,000,000 cruzeiros in 1941 to 4,380,000,000 cruzeiros.

Cheques with a value of 57,392,000,000 cruzeiros were handled by the bank clearing houses as against a value of 47,576,000,000 cruzeiros in 1941, representing an increase of 1.3 per cent in volume and 21 per cent in value.

#### EXCHANGE

The Brazilian exchange situation steadily improved during 1942, as shown by the favourable balance of trade amounting to \$145,401,000 as against \$77,787,742 in 1941. This balance supplied sufficient exchange for ordinary purposes, and cover has been granted freely for import transactions. There has also been a more generous supply of exchange for interest and dividend remittances.

#### GOLD RESERVES

In 1933 the purchase of gold for reserve purposes was entrusted to the Bank of Brazil, and since then there has been a noteworthy increase in purchases. During the period 1933 to 1938 inclusive all gold was acquired within the country, and the total purchases were 34,867 kilograms. There was an increase of nearly 50 per cent in the following two years, when total purchases were respectively 9,023 and 9,920 kilograms. Recognizing the need for a sounder currency, arrangements were made with the Federal Reserve Bank of the United States for a loan of \$100,000,000 for exchange stabilization. The large favourable trade balances of 1941 and 1942 permitted Brazil to purchase gold abroad. Of the total gold purchased in 1939 and 1940, 1,167 and 1,699 kilograms respectively were acquired outside Brazil. Purchases in 1941 and 1942 increased greatly, the larger number of them being made abroad. In 1941 a total of 17,083 kilograms was purchased of which 9,762 kilograms were acquired abroad, and in 1942, the amount was 39,942 kilograms, of which 32,817 kilograms were of foreign origin.

Since the control of gold purchasing passed to the Bank of Brazil in 1933 and until December 31, 1942, a total of 110,820 kilograms was acquired. As on May 31, 1943, gold to a value of 3,301,000,000 cruzeiros, or roughly \$165,000,000, was held by the Bank of Brazil.

#### FAILURES AND CREDITOR AGREEMENTS

The number of failures in the two main Brazilian industrial and commercial centres, Rio de Janeiro and Sao Paulo, showed a further decrease for the former and an increase for the latter. Failures in Rio de Janeiro declined from 278 in 1941 to 213, while in Sao Paulo they increased from 144 to 192.

Creditor agreements again decreased in Rio de Janeiro from 27 in 1941 to 22, and increased in Sao Paulo from 6 to 9.

Based on 1929, indices of failures declined from 52 in 1940 to 37 in 1942 for the Rio de Janeiro market and from 45 to 43 for Sao Paulo. Indices of creditor agreements, however, increased from 6 in 1940 to 9 in 1942 for Rio de Janeiro and from 10 to 18 for Sao Paulo.

## CANADIAN TRADE WITH INDIA IN 1942-43

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One rupee equals approximately \$0.335 Canadian)

Bombay, July 16, 1943.—The following statement on Canadian trade with India during 1942-43 must be presented in much more condensed form than in previous years. Little information on the subject is available except Indian government figures of the total values of imports of Canadian goods and exports of local products to the Canadian market.

Mention should be made, as usual, of the fact that there are wide divergences between Indian and Canadian statistics on this subject. Official Canadian data show much higher values for exports to India than those quoted herewith as the value of Indian imports from Canada. There is, however, a reasonable degree of comparability as between statistics issued by the two governments in connection with Indian exports to the Canadian market.

### TOTAL TRADE

The 1942-43 value of India's imports from Canada was Rs.55,353,841 as compared with a figure for 1941-42 of Rs.67,294,252. Indian exports to Canada were valued at Rs.37,799,797, a considerable decline from the previous year's total of Rs.64,714,563.

The total value of trade between the two countries declined from Rs.132,008,815 in 1941-42 to Rs.93,153,638 in 1942-43.

### BALANCE OF TRADE

Canada's favourable balance of trade with India, which was recorded for the first time in many years for 1941-42, underwent a large expansion during 1942-43, when the value of imports from Canada exceeded that of exports by Rs.17,554,044. This figure was almost seven times as great as during the previous year.

A summary record of Canadian-Indian trade during the last five years is given herewith:—

#### *Statistical Summary of Canadian Trade with India*

	Imports from Canada Rs.	Exports to Canada Rs.	India's Balance of Trade Rs.
1938-39 .....	9,075,586	21,386,107	+12,310,521
1939-40 .....	13,713,237	41,208,156	+27,494,919
1940-41 .....	29,668,455	31,723,736	+ 2,055,281
1941-42 .....	67,294,252	64,714,563	— 2,579,689
1942-43 .....	55,353,841	37,799,797	—17,554,044

#### CANADA'S POSITION AMONG INDIA'S SUPPLIERS AND EXPORT MARKETS

As indicated by a review of Canadian-Indian trade for the year 1941-42, the war has led to a marked improvement in Canada's position as a supplier of Indian imports and as one of her export markets. The recent elimination of several Eastern countries from the sphere of United Nations trade has intensified this trend, and, according to official figures, Canada stood in fifth place among all sources of India's imports during the year 1942-43. In the case of exports,



Canada's position receded from seventh to tenth, this trend being due to the marked decrease in India's exports to the Canadian market, combined with large increases in shipments to Australia and Middle Eastern countries.

#### TRADE BY COMMODITIES

Canadian goods imported into India continue to comprise, for the most part, motor vehicles and parts, metals in various forms, tea-chest materials, newsprint paper, calcium carbide, acetic acid, and a number of other materials for the Services or essential Indian industries. The trade in all types of food-stuffs and other consumer goods, which made up a substantial proportion of pre-war trade values, has now disappeared completely except for some shipments of whisky and miscellaneous foodstuffs for the exclusive use of the Services. One of the few instances in which new business has been developed is the supply of bobbins for use in Bombay cotton mills.

Indian trade to the Canadian market continues to comprise tea and gunny cloth as its principal components. Other items recorded during the past year included chrome ore, peanut oil, castor oil, various coir products, shellac, and skins.

#### TRADE CONTROL

Import control in India was further intensified during 1942-43, and for most of the year the position with regard to imports from Canada was that no trade was licensed except in the case of service equipment or goods regarded as essential to Indian industry or the basic needs of the civil population. All ordinary import trade had become impossible by the end of the year, while a major part of the orders for Canadian goods were being routed through the Indian Purchasing Mission.

The Canadian Government's control of imports and exports put a stop to all purchases of Indian woollen carpets and rugs, groundnuts and a few other products, while it exercised various restrictions also on shipments of iron and steel goods, chemicals, machinery, rubber manufactures, and other materials that had formerly been exported to this market.

The shipping position generally and the supervision exercised by the two governments over the allotment of freight space has further influenced the recent decline in the volume and variety of Canadian-Indian trade.

#### SUMMARY

It is probable that substantial quantities of service equipment and such goods as motor vehicles, tea-chest materials, metal products, and chemicals will continue to be shipped from Canada to India. Both the variety and total value of the trade are, however, more than likely to be progressively less than in 1942-43. India's exports to Canada are in the same way likely to decrease appreciably during the current year.

#### NEWFOUNDLAND PRICE CONTROL MEASURE

Mr. R. P. Bower, Acting Trade Commissioner at St. John's, writes under date August 30, 1943, that Order No. 25, issued under the Emergency Powers (Defence) Act, 1940, by the Commissioner for Public Health and Welfare, establishes the maximum retail price of evaporated milk in tins imported into Newfoundland under Item No. 94, Schedule "A" to the Revenue Act, 1939, as amended by the Revenue (Amendment) Act, No. 17 of 1939, whether sold for cash or on credit, at nineteen cents per tin of 16 ounces net or eighteen cents per tin of 14½ ounces net.

## AUSTRALIAN WHEAT AND FLOUR

Mr. Frederick Palmer, Canadian Trade Commissioner in Melbourne, cabled under date September 15, 1943, regarding the Australian wheat and flour situation as follows:

Stocks of wheat in Australia at September 1 totalled approximately 183,000,000 bushels. The rate of export at present is very slow, but expected sales of 250,000 tons to the United Kingdom, now being negotiated, should accelerate clearances. Moderate rains were general over Australian wheat areas since August 15, but much more rain is needed, and urgently in some sections, to ensure a satisfactory harvest, as winter subsoil moisture was extraordinarily deficient. In Victoria the wheat yield will be half of normal, owing to the weather and reduced acreage. Thousands of dairy, pig, and poultry men are buying wheat for stock food under a Commonwealth Government scheme which has cost to date about \$3,600,000. The United Kingdom Government has ordered some 500,000 tons of wheat flour from Australia through the Commonwealth Department of Commerce and Agriculture, which will require flour mills to operate three shifts for twelve months. Any labour required will be made available by the manpower authorities and may possibly be drawn from the army. This extension of flour milling will enable severe shortages of mill offals to be overcome to the great advantage of the dairying industry particularly.

## UNITED STATES PRICE CEILING ON LIVE HOGS

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

New York, September 16, 1943.—The Office of Price Administration has established maximum prices for live hogs under M.P.R. No. 469, effective October 4, 1943. The key price in the new regulation is \$14.75 per hundredweight in Chicago. Other maximum prices, with specified cents per hundredweight differentials, are based on geographical location and type of selling place. No seasonal differentials are provided, but some seasonal variation will, it is reported, be possible between maximum prices and the War Food Administration support price.

Three types of selling places are specified in the regulation as follows:—

1. *Terminal Markets*.—Specifically listed municipalities in which all sales in public markets, slaughterhouses and all other places are covered.

2. *Interior Markets*.—Specifically listed communities other than "terminal markets".

3. *Buying Stations*.—Any fixed place of business other than "terminal" or "interior" markets, where live hogs are weighed for sale and sold to the buyer and a regular market is maintained.

Exempted from the price controls are: hogs weighing less than 140 pounds, sold for feeding for more than one month; hogs sold for breeding or for serum; hogs sold outside the continental United States; and hogs sold by members of recognized farm youth organizations at fairs, shows and exhibitions, where prior approval has been obtained from the O.P.A.

Live hogs, which are reported to contribute more to the farm income in the United States than any other meat animal and also produce the heaviest meat tonnage, are the first live stock to be placed under price ceiling. It is not expected that the retail price of pork will be affected, but pressure against wholesale pork ceilings should be relieved.



## AGRICULTURAL NOTES FROM ARGENTINA

J. A. STRONG, CANADIAN COMMERCIAL ATTACHÉ

### Unrestricted Sowing of Wheat, Flaxseed and Sunflower Crops

Buenos Aires, August 21, 1943.—A decree published on July 1 cancelled two previous decrees that restricted the acreage of wheat, flaxseed and sunflower seed in Argentina. The Department of Agriculture has urged the growers to increase their acreages in these crops, adding that the Government would guarantee farmers a minimum price covering their costs in the event that free market prices did not allow them to sell at a profit. In announcing the measures the Government stated that the increased demand for the grain for fuel has materially reduced the stocks of corn and flaxseed in Argentina, adding that one bad year, as in the case of corn last year, would wipe out existing grain stocks.

It is stated in the decree that, even though the sowing of a larger acreage and favourable growing conditions would ensure a greater production than local consumption and exports can take care of, this is a far lesser evil than the possible stoppage of local manufacturing industries through a lack of fuel. This measure will benefit local industry, but the industrialists will be obliged to pay the same prices to the Department of Agriculture that they pay to the growers.

### Funds for Grain Storage

A recent decree authorized the Grain Regulating Board, subject to approval by the Department of Agriculture, to spend up to 500,000 pesos for the construction of grain warehouses at various points in the interior of Argentina. The work will be carried out by the Cereal Conservation Committee, and the Department of Finance has arranged for the amount to be set aside from general funds.

### Assistance to Farmers

The Bank of the Nation has resolved to increase from 30 million pesos to 50 million pesos their appropriation to assist farmers in financial difficulties as a result of curtailed grain markets and to change to mixed farming. The loans will be from 1,000 to 5,000 pesos and for four- or five-year terms. Up to June 30 the bank has granted 11,641 loans, amounting to 16,868,743 pesos, for mixed farming. Moneys spent included the purchase of the following numbers of live stock and poultry: milch cows, 160,254; hogs, 90,656; sheep, 243,375; and poultry, 549,702.

### Export Quotas for Vegetable Oil, Seeds and Oil Cakes

A decree issued on July 12, established the maximum export quotas for vegetable oils or the equivalent in seeds and for oil cakes. Should the applications for export permits for these commodities total more than the established quotas, then the distribution will be on a pro-rata basis. The export quotas as established by the Department of Agriculture are: for sunflower seed oil, 15,000 metric tons; peanut oil, 8,000 tons; cottonseed oil, 8,000 tons; rape-seed oil, 3,000 tons; oil cakes, 30,000 tons.

Documents, legalized by the representative of the interested country, must be shown as evidence that contracts have been agreed upon before the following dates: sunflower seed, February 10; peanut, cotton seed, rape seed, July 1; oil cakes, May 11. Sweden has been the principal buyer of oil cakes, and the United States of vegetable oils.

### **Third Estimate 1942-43 Potato Crop**

According to the third forecast by the Department of Agriculture on July 14, the production of the current potato crop will be 37.9 million bushels. This figure is up 1.3 million bushels from the previous estimate on May 27 and compares with 42.9 million bushels last year and the three-year average of 43.6 million bushels. Favourable growing conditions, particularly the absence of frosts during May and April in the Rosario zone, are largely responsible for the increase. The estimate includes 6.24 million bushels of low-grade potatoes, which will be consumed in the interior.

### **Investigation into the Potato Trade**

On the basis of evidence submitted by the public prosecutor, the Court Judge committed for trial 65 potato dealers, brokers, etc., who are charged with organizing a monopoly of the potato trade. Embargoes of 20,000 pesos are placed on each of the properties of those charged. One of the principal charges is that the dealers have been manipulating the arrival of potatoes on the market, principally by not loading the rail cars to capacity, thus forcing retail prices up. The judge pointed out that this charge was all the more serious in view of the general shortage of rail cars and fuel.

### **Pasture Conditions**

Since the drought period in Argentina was broken in March, general heavy rains continued during April and May. The pastures have almost completely recovered from the effects of the drought, and they are in excellent condition as the winter months approach. Some cattlemen state that it has been some time since they have seen the pastures in such a good condition to start the winter. Although the drought was prolonged and severe, the injury to the pastures was surprisingly light and temporary. Only pastures which were heavily over-stocked had been badly injured.

### **Cotton Crop Estimate**

The Argentine Department of Agriculture estimates the current cotton crop at 68,700 metric tons as compared with 80,869 tons in 1941-42. This represents a reduction of 12,169 tons, or 15 per cent. The report states that, while the reduction was caused by the drought, the crop is generally satisfactory, and a good yield of fibre is anticipated.

### **Rice Crop**

The second official estimate of the current rice crop is 101,000 metric tons as compared with 108,100 tons in 1941-42. The area sown to rice in 1942-43 was estimated at 102,752 acres as compared with 83,486 acres in 1941-42. The area to be harvested this year is estimated at 84,155 acres, with an average yield of 26.4 cwt. per acre. The continued rains during April rendered harvesting difficult in the province of Tucuman. The yield in the province of Santa Fé was better than formerly anticipated.

### **Milk Prices Reduced**

A decree reducing the milk prices in Argentina by 5 centavos per litre was issued on May 20. It will be recalled that, in view of the poor pasture conditions caused by the drought, the Government authorized on March 5 an increase in the price of milk of 5 centavos per litre, to be paid to the producer. The pastures are now in excellent condition, and this decree brings the price down to the former level of 15 and 20 centavos per litre for unpasteurized and pasteurized milk respectively.



### Flaxseed

The Argentine Department of Agriculture recently announced that up to March 1 the Government had purchased 3,160,000 metric tons of flaxseed of the 1940-41, 1941-42 and 1942-43 crops. These purchases called for an outlay of 308 million pesos, at 3.01 pesos to the dollar, which included storage and other charges. Out of the total bought, 1,927,000 tons has in the meantime been sold for 170,900,000 pesos. The Government still holds 1,233,000 tons of flaxseed in storage and has to recover a balance of 139 million pesos from its investments.

More than half of the 1942-43 flaxseed crop (third estimate, 1,525,000 metric tons) has to be purchased.

### Export of Horses, Asses and Mules Prohibited

According to the census figures as of September 30, 1942, the number of horses in Argentina was down by 18.8 per cent and that of asses and mules by 34.9 per cent as compared with the census figures for 1937.

In March the Argentine government issued a decree prohibiting the export of horses, asses and mules, which is to remain in effect until such time as the population reaches the 1937 level. On May 14 the Bolivian Chamber of Commerce requested the Argentine government to allow horses and mules to be exported to Bolivia, stating that these animals were needed in the mining industry.

### Prohibited Exports

*Sunflower Seed.*—The Argentine government issued a decree on February 10, prohibiting the export of sunflower seed and sunflower-seed oil except by export permit. This action was taken in view of the short sunflower-seed crop this year, which was estimated at 335,000 metric tons, or about 50 per cent of the production last year. Export permits were granted after February 10 only for seed contracted for prior to the date of the decree. On May 8 the Government announced that no more export permits would be granted for either sunflower seed or sunflower-seed oil.

*Vegetable Oil Cakes.*—The Argentine government issued a decree on May 13 prohibiting the export of all vegetable-oil cakes, including cakes manufactured from wheat chaff from flour mills. The decree stated that these products have a high calorific value and that their use as fuel would contribute greatly to relieving the fuel problem in Argentina.

*Potatoes.*—A decree published on May 22 prohibits the export of table-stock potatoes. Seed potatoes and potato by-products may be exported but only by export permit. As a result of the drought, the current potato crop will be the lowest since 1938-39. The 1942-43 crop is estimated at 970,000 metric tons as compared with 1,442,000 metric tons last year.

### FORESTRY COUNCIL ESTABLISHED IN CHILE

M. J. VECHSLER, CANADIAN COMMERCIAL ATTACHÉ

Santiago, September 7, 1943.—Indicative of the growing interest in the development of Chile's forestry resources is a decree law, published under date September 2, whereby a National Forests Council has been ordered to be set up under the jurisdiction of the Ministry of Economy and Commerce.

Chile's forestry resources are principally in the southern half of the country and, although there has been some development during recent years and a certain amount of export trade with neighbouring countries has been carried on, this industry is still largely in a formative stage, since it is handicapped by the lack

of transportation facilities either by rail, river or lake to the coastal areas, and there are no large stands of timber such as occur in other lumber-producing countries. The forests contain a wide variety of many kinds and types which tends to make operating costs high in comparison with the value of the timber products.

In an effort to thoroughly study and assist the lumber industry in Chile, the Government has set up the National Forests Council and has indicated that the Council is to co-ordinate and develop the forestry policy of the country.

#### COMPOSITION OF THE COUNCIL

The Council is to be made up of two representatives from the Ministry of Economy and Commerce, one from the Ministry of Public Works and Communications, one from the Ministry of Agriculture, two from the Ministry of Lands and Colonization, one from the State Police Department, two from the Production Development Corporation, and four persons to be named by the President of the Republic to represent various entities associated with the preservation, production, sale and export of lumber and forestry products.

In outlining the activities and functions of this Council a fairly comprehensive plan has been drawn up in which are included:—

- (a) The study and approval of preliminary plans for a Forestry code, which code is to be developed by the Department of Economic Studies and Plans of the Ministry of Economy and Commerce.
- (b) To study measures concerning forestry protection and care.
- (c) To study forestry surveys, the census of the forests and statistical arrangements.
- (d) To advise upon land, river and lake communications intended for forestry development.
- (e) To undertake operations dealing with the treatment and care of forestry diseases.
- (f) To assist in scientific study and investigation regarding chemical, mechanical and physical qualities of Chilean woods.
- (g) To provide increased instruction and information on technical, industrial and commercial matters relating to the forests and their products.
- (h) To study methods leading toward the conservation of the forestry resources.
- (i) To study and propose efficient measures for preventing the starting of fires in forest clearings and to determine zones of absolute prohibition.
- (j) To study and introduce a system of classification of woods and the creation of a body of official classifiers.
- (k) To study the introduction of an official mark for trees and woods and a system of free transit orders.
- (l) To guide the development of public and private plantings on a scale in accordance with the needs and conditions of the country through the allotment of funds or the granting of sufficient credits or concessions of other kinds.
- (m) To assist in the immediate replacement of elements extracted from the forests.
- (n) To orient, develop and control the forest industry through sufficient and adequate credit and the establishment by the State of model plants for the exploitation, elaboration, transportation and preservation of woods.



- (o) To orient, regulate, develop and control the trade in forest products and their derivatives in all their aspects.
- (p) To study and propose rules and regulations for the control of exports of woods and forest products.
- (q) To propose modifications in the commercial treaties in force with client countries.
- (r) To bring forward every question that may tend toward the better carrying out of the functions indicated.

## IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to August 28, 1943.

Unit	Total Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to August 28, 1943	
			Quantity	Per Cent
Whole milk. . . . .Gal.	3,000,000	6½ to 3¼c. per gal.	4,827	....
Cream. . . . .Gal.	1,500,000	56½ to 28¾c. per gal.	556	....
Filleted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish. . . . .Lb.	15,000,000	2½ to 1¼c. per lb.	10,737,193	71.5
Seed potatoes . . . . .Bu.	1,500,000 beginning Sept. 15, 1942	75 to 37½c. per 100 lb.	1,094,553	73.0
White or Irish potatoes, other than seed potatoes. . . . .Bu.	1,000,000 beginning Sept. 15, 1942	75 to 60c. per 100 lb. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30	21,896	2.1
Red cedar shingles. . . . .Sq.	2,506,072	Free	1,017,604	40.5
Silver or black foxes, furs and articles:				
*Foxes valued under \$250 each and whole furs and skins . . .No.	100,000 beginning Dec. 1, 1942	50 to 35% ad val.	45,658†	45.6
Tails . . . . .Piece	5,000 beginning Dec. 1, 1942	50 to 35% ad val.	463	9.3

\* The duty on live foxes of 15 per cent ad valorem, the rate under the Tariff Act of 1930, is not affected by the Agreement.

† Imports from Canada of 45,658 foxes valued at under \$250 each and whole furs and skins is for the period December 1, 1942, to April 30, 1943. For the period May 1 to November 30, 1943, the United States set the quota allotment at 33,229 for all countries, and for the period May 1 to July 31, 1943, imports totalled 27,603. However, there is no indication in the statement by Treasury Department as to what proportion of these imports was supplied by Canada.

The Treasury Department also reports that, for the twelve months beginning May 29, 1943, the following quantities of wheat and wheat flour entered or were withdrawn from warehouse for consumption under the import quotas established by the President's proclamation of May 28, 1941, as modified by proclamations of April 13, 1942, and April 29, 1943:—

	Quotas		Imports May 29 to August 28, 1943	
	Wheat Bus.	Wheat Flour and Other Products Lb.	Wheat Bus.	Wheat Flour and Other Products Lb.
Canada . . . . .	795,000	3,815,000	795,000	131,838
Other countries . . . . .	5,000	185,000	Nil	Nil

## CONDITIONS IN COLOMBIA

From the *British Export Gazette*

The present situation in Colombia is characterized by increasing difficulties in foreign trade and a lack of equilibrium in the balance of payments, with considerable balances in this country's favour which have constantly raised the reserves of the Banco de la Republica in gold and dollar exchange. The consequent increase in the note circulation has stimulated commercial and stock exchange activities and has contributed to the intensification of industrial and agricultural production designed for internal consumption. Except in the case of coffee there is a decrease in production in the principal export lines, an increase in the price level and a contraction in the national revenue, especially from Customs House dues, which have hitherto constituted the principal source of national income. Due to the continued decline in imports of manufactured goods, local industrial concerns, particularly the textile group, continue to show satisfactory results, and a sufficient quantity of raw materials appears to have reached this country to enable national factories to carry on, although, on the other hand, the building industry is now inactive because of the lack of constructional equipment. The present situation has arisen mainly from the shortage of transport, both land and maritime, and is likely to persist until hostilities end, failing any amelioration in the shipping situation and in the difficulties in obtaining transport vehicles and accessories.

## TARIFF CHANGES AND TRADE REGULATIONS

### Trinidad

#### PROCEDURE GOVERNING LICENSING OF IMPORTS FROM CANADA

Mr. J. L. Mutter, Canadian Trade Commissioner at Port of Spain, reports that the Secretary of the Trinidad Control Board, after a visit to Canada and an exchange of views with the Export Permit Branch of the Department of Trade and Commerce, issued new import licensing regulations that were published in the *Trinidad Royal Gazette* of September 9, 1943. He announced that in respect of imports from Canada six copies of all indents must be submitted when applying for import licences. The Control Board sends one copy to the Export Permit Branch in Ottawa and retains one; the other four copies are returned to the importer. He is to use one for obtaining currency to pay for the goods, one for clearing the goods through customs and one is to be transmitted to the supplier in Canada. The importer is to advise the Canadian supplier to attach the copy he receives to his application for an export permit. Evidence is required by the Export Permit Branch that import licences are actually in possession of the importing firms, and export permits will not be granted if the supplier omits to attach his copy of the licensed indent to his application for an export licence.

### Turks and Caicos Islands

#### TONNAGE TAX ADOPTED

Tonnage taxes were imposed as from May 15, 1943, upon articles imported into the Turks and Caicos Islands, a political dependency of Jamaica. This impost, which will expire on March 31, 1944, is modelled on the one adopted in Jamaica, of which the governing principle is weight. On articles not specified the rate is 6d. per 56 pounds and under; between 56 pounds and 112 pounds, 1s.;



between 112 pounds and 448 pounds, 2s.; exceeding the last-mentioned weight, 2s. on the first 448 pounds and 6d. on every additional 112 pounds. Specific rates per 112 pounds or part thereof are provided for the following: barbed wire and fencing wire, 1s.; flour, corn meal, hominy and corn grits, 6d.; corn, bran and oats, 6d.; paint, 6d.; rice, 6d. Other special rates are the following: cement, per 100 pounds gross or part thereof, 3d.; lumber, per 1,000 superficial feet or part thereof, 2s.; shingles, per 250 units or less, 6d.; gasoline, in containers of 50 gallons or less, 1s.

The following are exempt from tonnage tax: live animals and poultry; milk; cutlasses, spades, shovels, forks and other agricultural implements; fertilizers; kerosene oil; materials and appliances for the treatment and control of plant diseases; fresh fruit and fresh vegetables; beans and peas not preserved in tin or glass; syrups and molasses; anchors and chains; boats of all kinds, oars and boats' spars.

### FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING SEPT. 20, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, September 20, 1943, and for the week ending Monday, September 13, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Sept. 13	Nominal Quotations in Montreal Week ending Sept. 20	Official Bank Rate
Great Britain. . . . . Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. . . . . Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico . . . . . Peso	.4985	.2284	.2284	4
Jamaica . . . . . Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. . . . . Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2775	.2777	—
Brazil. . . . . Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana . . . . . Dollar	1.0138	.9313	.9313	—
Chile . . . . . Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. . . . . Peso	.9733	.6358	.6358	4
Venezuela . . . . . Bolivar	.1930	.3330	.3330	—
Uruguay. . . . . Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5873	.5879	—
South Africa. . . . . Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India . . . . . Rupee	.3650	.3359	.3359	3
Australia . . . . . Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. . . . . Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

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**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

# Commercial Intelligence Journal

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## MARKET CONDITIONS FOR SEED POTATOES IN ARGENTINA AND URUGUAY

W. B. McCULLOUGH, ASSISTANT COMMERCIAL ATTACHÉ

### Argentina

Buenos Aires, September 7, 1943.—The final estimate of the 1942-43 potato crop in Argentina is 37.9 million bushels as compared with 52.9 million last year and the average for the previous three years of 43.6 million bushels. The total area planted to potatoes in 1942-43 was 479,180 acres as against 585,390 acres last year.

Argentina had a record production of both table and certified seed potatoes in 1941-42, and there was only limited interest in imported seed last fall. This year the total potato acreage was down by 18.1 per cent, with a noteworthy reduction for the irrigated zones and also the Balcarce zone.

The Republic suffered from comparatively severe drought conditions from September, 1942, to March of this year. The yield per acre in the irrigated zones of Mendoza and San Juan was about the same as last year, while the average yield in the Rio Negro zone (irrigated) was estimated to be about 80 bushels per acre above that of the previous year. The yield in the Balcarce zone was materially reduced as a result of drought during the growing season.

Due to weather conditions, the planting of the second crop in the Rosario zone, which normally takes place in January, was delayed until late February and March; however, the growing conditions from March to June were very favourable. Rainfall was abundant during this period, and there was no damage from early frosts in May and June, with the result that the Rosario

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zone had the heaviest production in many years. The continued increase in the figures of the official estimates was due to the favourable prospects in this zone.

During the three years 1940, 1941 and 1942 the Rosario zone accounted for an average of 2.6 million bushels each year, or 23.7 per cent, of the supplies sent to the National Potato Market in Buenos Aires. To the end of August this year, this zone had supplied a total of 2.4 million bushels, or about 39 per cent of the total, and continues to account for a substantial portion of the daily requirements of Buenos Aires. During August 63.1 per cent of the supplies came from the Rosario zone as compared with the three-year (1940 to 1942) average of 7.7 per cent for that month. For the past three years the Rosario zone is credited with an average of about 37 per cent of the potatoes sent to the National Potato Market in December.

While the Rosario crop has contributed greatly to the Argentine potato requirements this year, supplies from this zone cannot be expected to hold out until the early crop from Salta, Jujuy and Tucuman comes on the market in October and November. While the acreage in the northern provinces was increased considerably, a frost during the last week of August caused slight damage to the potato crop in that zone.

#### ARGENTINE POTATO PRICES

During the first three months of this year prices of table potatoes in the National Potato Market were up to 14.50 pesos per sack; however, prices declined as the Rosario crop came on the market during the latter part of May. The three factors contributing to the fall in prices are: (1) the higher yield in the Rosario zone; (2) late blight affecting the Rosario crop, resulting from the wet weather during the late growing season, which forced the growers to move their stock to market; and (3) government action, in an attempt to control food prices, establishing maximum wholesale and consumer prices for table potatoes.

An Executive Decree issued on August 5 established the following maximum prices for table potatoes according to the producing zone; prices include dealers' and retailers' commissions:—

#### *Maximum Prices of Table Potatoes*

Zones	Wholesale	Retail
	Per 60-Kilo Sack Pesos	Pesos
Mendoza, San Juan and Río Negro.....	9.00	0.35 per 2 kilos
Balcarce .. . . .	7.50	0.15 per 1 kilo
Rosario .. . . .	6.00	0.25 per 2 kilos

The current prices in the National Potato Market range from 6 to 9 pesos, the ceiling prices established.

The maximum prices for Argentine certified seed potatoes were established by the same decree for sacks of 60 kilos, f.o.b. Balcarce zone, as follows:—

#### *Maximum Prices of Seed Potatoes*

	White Tag	Red Tag
	Pesos	Pesos
Katahdin (2nd generation) .. . . .	8.00	7.00
Katahdin (3rd generation) .. . . .	6.50	6.00
White Rose (2nd generation) .. . . .	9.00	8.00
White Rose (3rd generation) .. . . .	7.50	7.00

The maximum price for "selected" seed (not certified) is 6 pesos per 60-kilo sack.

## EXPORTS OF TABLE POTATOES PROHIBITED

An Executive Decree issued on May 22 prohibits the export of table potatoes from Argentina. Seed potatoes and potato by-products may be exported by export permit only. An export quota of 170,000 sacks of 60 kilos was established for seed potatoes, of which Uruguay purchased 130,000 sacks. On August 27 authorization was given for the export to Uruguay of 3,000 metric tons of table potatoes from the Rosario zone.

## CERTIFIED SEED POTATOES

The production of graded certified seed from the 1942-43 crop was estimated by the Seed Potato Certification Service at 1.6 million bushels as compared with slightly over 2 million bushels last year. This estimate, however, is reported to be rather high, since, due to adverse growing conditions in the Balcarce zone, the stock did not grade up to the preliminary estimates.

The exceptionally mild winter in Argentina this year has been most unfavourable for the storage of seed potatoes in the Balcarce-Mar del Plata zone. Potatoes are stored in pits and usually covered with corn stalks or other material, and the temperature on the coldest days rarely drops more than three or four degrees below freezing. During the past winter the temperature continued relatively high well into the month of July, and only for a few days was the temperature down to freezing point.

By the first of August about 90 per cent of the stock had sprouts about four inches long. The remainder, which was from 15 to 20 days later, had sprouts about an inch long. These potatoes will be held for another two to four months, of which September and October are spring months, before planting.

While the mild winter has been the principal cause of excessive sprouting of the domestic seed stock before planting time, the drought conditions last summer caused the crop to ripen prematurely. Further, the stock is second generation or later, and under Argentine conditions the dormant period is apparently shortened with each successive generation.

## DEMAND FOR IMPORTED SEED

There is no lack of interest among dealers and growers in imported Canadian seed potatoes this fall. Argentina did not import seed last year, consequently all available seed is second-generation or later. As a result of the drought in the Balcarce seed zone, during the last growing season, followed by an exceptionally mild winter (June-August), the domestic seed will have sprouted excessively by planting time in November.

Without some quantity of imported seed this fall to serve as foundation stock, the situation might become serious in 1944, which could create a demand for imported certified seed potatoes such as has not obtained since 1937. The domestic seed will then be third-generation or later, which is considered near the maximum for maintaining good quality seed in Argentina unless the weather conditions are more favourable than average. The Seed Potato Certification Service is considering, as a temporary measure, a program of planting seed in the cooler areas farther south, with the object of maintaining domestic seed for longer periods. Potatoes have not been grown extensively in those areas, and in any case such a program would require considerable time before it could really become effective.

If shipping were available and c.i.f. prices not excessive, there would be a good demand in Argentina for seed potatoes this fall.



## Uruguay

The production of potatoes in Uruguay normally does not take care of domestic requirements and has to be supplemented by imports of table potatoes. Due to the close proximity of Argentina and the relatively low water transportation costs therefrom, Uruguay naturally purchases all its imported table potatoes requirements from Argentina if stocks are available. As an alternative, table potatoes were imported in pre-war years from Europe, mainly from Holland.

Since the outbreak of the war Argentina has had an export surplus of table potatoes to supply Uruguay and neighbouring countries until the current season. Due to the drought, Argentine production in 1942-43 will not more than meet home requirements and, as a result, the export of table potatoes has been prohibited, although permit was granted for the shipment to Uruguay of 110,220 bushels of table potatoes from the Rosario zone in Argentina this season. Nevertheless there is still a substantial shortage of table potatoes in Uruguay, which will continue until the next crop comes on the market in November. During 1942 the imports of Argentine table potatoes totalled 750,345 bushels, and in 1941 they amounted to 1,188,947 bushels.

Due to a severe and prolonged drought, the planting of the 1942-43 second crop was delayed until March. Depending on moisture conditions, this crop is usually planted during January-February. It is for this crop that Canada supplies seed. Domestic seed from the previous crop, harvested in November-December, has not had a sufficient rest period, and in order that the crop may be planted in time to provide the required growing season it is necessary to import seed. There is always the danger of early frosts in May, which renders the late planting of the second crop risky.

According to the official estimates, the area planted to the second crop was 8,939 acres, which produced a total of 487,650 bushels as compared with 5,856 acres and 314,275 bushels in 1942. Growing conditions were comparatively favourable this year and, although planting was delayed, there was no damage from frost in May and June.

### PRICES

Maximum consumer prices established by Executive Decree on May 7 for table potatoes from this crop remain in effect. These ceiling prices, which include a fixed price to the grower of 10 pesos per 100 kilos (about U.S.\$3.95 per barrel) are the highest ever established for table potatoes in Uruguay.

For the current main crop, planted in August-September, Uruguay has purchased 286,572 bushels of Argentine certified seed as compared with 314,856 bushels last year. About 80 per cent of this quantity was second-generation Katahdin obtained originally from Canadian seed. The remainder was second-generation White Rose for planting in the northern district around Salto. As in the northern zone of Argentina, the White Rose variety is preferred in this zone.

### MARKET PROSPECTS

The Uruguayan Government has established an import quota of 120,000 crates for certified seed potatoes this fall. The Official Seed Distribution Service, a government organization, is interested in buying direct from Canada 60,000 crates of certified seed, which they consider will be the minimum requirements for Uruguay. Private dealers are authorized to import an additional 60,000 crates, but must arrange for the shipping. The demand will be for the Katahdin variety, with as large a percentage of the small-size grade as will be available. An officer of the Official Service will likely visit the United States and Canada again this year in an effort to obtain the minimum requirements of certified seed for Uruguay.



## UNITED STATES HAY CROP CONDITIONS

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

New York, September 23, 1943.—At the New York Hay Convention, held recently at Syracuse, the State Department of Agriculture and Markets presented a report which indicated that in general there had been a heavy hay crop in New York State and in practically all the other important hay-producing states.

### STOCKS ON FARMS

Stocks of all kinds of hay on farms on May 1, 1943 and 1942 as compared with the 1932-1941 averages were stated to be as follows:—

#### *United States Hay Stocks*

State	Average 1932-41 Tons	1942 Tons	1943 Tons
New York . . . . .	579,000	262,000	717,000
Vermont . . . . .	87,000	37,000	140,000
Massachusetts . . . . .	47,000	38,000	76,000
Connecticut . . . . .	42,000	40,000	40,000
New Jersey . . . . .	58,000	53,000	56,000
Pennsylvania . . . . .	400,000	306,000	431,000
Wisconsin . . . . .	591,000	779,000	1,146,000
Minnesota . . . . .	622,000	833,000	693,000
Other . . . . .	8,105,000	8,912,000	10,099,000
Total all states . . . . .	10,531,000	11,260,000	13,398,000

### CONDITION OF CROP

On August 1 there was a large acreage of over-ripe hay still uncut in New York State. In some instances the barns were full, and much was being stacked outside. In others it was being left uncut or cut late on account of the shortage of labour and the large amount already in storage. The late start of harvesting operations, due to the delayed spring planting which was not completed until after haying usually begins, together with many days of rainy or cloudy weather, complicated matters still further.

### INDICATED PRODUCTION

Returns as of August 1 indicated a 1943 hay crop of 99 million tons in the United States. This would be the second largest crop on record. Of the total indicated crop, 11.5 million tons are wild hay, 33 million alfalfa, 28 million clover-timothy, and the remainder various kinds of tame hay, including lespedeza, soybean, cowpea, peanut and small-grain hay. In 1942 total production of hay was 105 million tons and the 10-year average (1932-1941) was 83 million tons.

### REGIONAL YIELDS

Yields of wild hay per acre are generally above average but a little lower than last year in the important wild-hay states. Tame hay yields are generally above the 10-year average, except in the western inter-mountain region and in the southwest, where an increased acreage of low-yielding peanut hay is included. As compared with last year, the indicated yields of tame hay per acre are lower in nearly all the more important hay states. It is still too early to determine definitely the yields of such late-maturing types as soybeans, cowpeas, peanuts, and lespedeza, all of which are important hay crops in the south. It is anticipated, however, that alfalfa hay yields will be lower than the 10-year average in the inter-mountain region, the lower Mississippi Valley, Indiana and Illinois, and

above that average in the Great Plains region and most eastern states. Clover-timothy hay yields are above the 10-year average in the most important states but generally are not quite as high as in 1942.

### PRICES

Prices received by New York farmers for all loose hay for a 12-month period, as reported by the New York State Agricultural Statistician, have been as follows:—

#### *Hay Prices for New York State*

1942	Per Ton	1943	Per Ton
August . . . . .	\$10.00	January . . . . .	\$11.20
September . . . . .	10.00	February . . . . .	11.50
October . . . . .	10.20	March . . . . .	12.00
November . . . . .	10.20	April . . . . .	12.00
December . . . . .	10.90	May . . . . .	12.50
		June . . . . .	12.70
		July . . . . .	10.80

### PROSPECTS FOR CANADIAN SHIPPERS

The hay market is expected to be influenced by several unpredictable factors. The shortage of regular feeds may result in a greater demand for hay, but the extent of this increased demand is difficult to determine at this date. Another factor is the continued shortage of farm labour, to which reference has already been made.

## CO-OPERATIVE MARKETING OF AGRICULTURAL PRODUCE IN INDIA

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One rupee is approximately equal to \$0.335 Canadian)

Bombay, August 5, 1943.—The Central Agricultural Marketing Department of the Government of India has recently issued an interesting report on co-operative marketing in this country; following is a summary.

### ORIGIN OF THE CO-OPERATIVE MOVEMENT

As a country in which some 67 per cent of the population is directly engaged in or dependent on agricultural production, India offers vast scope for the development of co-operative marketing organizations. Their value is obvious from the viewpoints that the standard of living of the agricultural community is extremely low and that, through co-operation in the marketing of its products, it may well be able to attain a greater measure of relief and prosperity than by any other means.

Co-operation is by no means an unfamiliar social feature in India; such voluntary institutions have been in existence in various parts of the country from earliest times. It is only within the last century, however, that the movement has taken definite form. Following investigations in several of the provinces, the Central Government passed a Co-operative Credit Societies' Act in 1904 (revised in 1912 as the Co-operative Societies' Act) providing for the registration and supervision of such organizations. Jurisdiction was later transferred to the provincial governments. With their official encouragement, the principal of co-operation is now recognized throughout the country, and a large number of co-operative institutions are in existence. The agricultural community has to date been associated rather with the question of co-operative credit than with marketing, but it is hoped that the obvious benefits to be gained from the latter will eventually lead to a substantial expansion in the movement.



## PRESENT POSITION

At present there are some 4,577 co-operative societies concerned with the marketing of agricultural produce in India. These make up only 4.4 per cent of the total number of registered co-operative organizations, whose combined interests range over questions of credit, purchase, production, insurance, and various other matters. The main reasons for the slow development of co-operation in agricultural marketing are the lack of organizing ability among agriculturists, the lack of sound business management, and, in some instances, the tendency of the peasant classes to cling to traditional methods of selling their produce rather than trust to any novel schemes.

These agricultural marketing societies have a membership of approximately 450,000 and operate on a working capital of some Rs.15,000,000. Their annual turnover in agricultural produce is estimated at Rs.114,200,000. Most of the societies deal in grains, sugar cane, fruits and vegetables, dairy products, eggs and poultry, and fibre crops such as cotton and jute. They are distributed throughout all the provinces but are most numerous in the United Provinces, Bihar, Bengal and Madras, while, in relation to the value of produce handled, the movement is most active in the United Provinces, Madras, Bombay and the Punjab. It is interesting to note, in this same regard, that several of the native states, particularly Baroda, Mysore, Gwalior, Travancore, and Hyderabad, support thriving co-operative movements among their agricultural communities.

There are also several provincial co-operative marketing societies in addition to those of a purely local character. These organizations depend for support on the smaller societies within the province. Their scope is limited, however, by current legislation, which restricts such organizations from engaging in extra-provincial business operations.

## ORGANIZATION AND OPERATION

There is no universal basis for the organization of co-operative marketing societies throughout India, nor do they all conduct their business along any clearly defined lines. Depending on the type of agricultural production in different parts of the country, they concentrate on the collection and sale of one or, at most, a few types of produce. Membership generally includes small agricultural credit societies, individual members with full voting rights, and associate members who have no power to vote. Membership qualifications vary considerably and frequently permit non-agriculturists to hold full rights. They also provide, as a rule, that members must purchase shares to a stipulated value. The societies do not bind themselves to sell for members only, but are free to purchase from non-members in many instances. Management is usually in the hands of a board of directors and appointed officials. The directors are usually elected by vote and hold office for one to three years.

In operation the societies accept on consignment or purchase outright for cash the produce offered by members or others. In the case of consignment transactions, loans are available up to arranged percentages of the approximate value of deliveries. Some of the societies also act, within a limited range, as consumers' co-operatives and supply certain staple goods to their members at low prices and on easy terms. Some of them also encourage the use of their facilities by members and others and at the same time attract new members and customers by the issue of market bulletins and similar publicity at appropriate times. It is not uncommon for some societies to undertake the treatment of raw produce supplied by members, such as the cleaning and polishing of rice, the pasteurization of milk, the storage of goods when market or other conditions demand, and the grading and marketing of certain products under official supervision. It is also the policy of some of these societies to assist members by



arranging for purchases of seed and agricultural implements and by the distribution of information regarding approved methods of cultivation and harvesting. Some co-operative dairy organizations employ veterinaries for the benefit of their members and provide stud bulls on loan to ensure improvement of dairy herds. Profits, when available, are distributed as dividends on share capital or as bonuses paid according to the quantities or values of goods offered to the society for sale.

The development of the co-operative marketing movement to its present proportions in a comparatively short time has of course, been attended by many failures. The provincial governments have in many cases helped to prevent such occurrences or to correct them, and in some circumstances have subsidized these ventures. Deserving efforts have also received ready support from the banks.

As a footnote to this brief review of organization and operation it may be of interest to quote from the official report several examples of overhead charges incurred by some co-operative organizations in India. A village dairy co-operative society, for example, is cited as paying Rs.20 per month on overhead as follows: secretary's salary, Rs.12; workman's salary for cleaning the yard and carrying milk cans, Rs.5; and stationery and contingencies, Rs.2½. In somewhat the same way, a co-operative egg society charges an entrance fee of Rs.5, payable in twenty monthly instalments of 4 annas each. The manager is paid Rs.25 per month, with a monthly travelling allowance of Rs.2½, and the clerk and peon are paid Rs.12 and Rs.7 respectively. This society employs the water test when grading its products. Some of the large organizations, on the other hand, have substantial capital investments in plant and equipment and maintain experienced staff drawing fairly high salaries and commissions on turnover.

#### RELATIONS WITH CONSUMERS' CO-OPERATIVES

There has been comparatively small scope for co-ordination between the production and marketing co-operative movement in India and consumers' co-operatives owing to the limited development of the latter. The latest available figure of consumers' stores throughout India is 547 with an annual turnover valued at some Rs.8,500,000. The number of recorded instances of permanent association between producers' and consumers' societies is limited to a few cases in the United Provinces and in Madras, the latter having been arranged by the provincial co-operative society. Some of the marketing societies, as already noted, operate also as suppliers to their members of a limited range of staple goods.

#### GOVERNMENT ASSISTANCE

The central and provincial governments, in addition to legalizing the operation of co-operative marketing societies and supervising their operations, continue to encourage an extension of the movement, particularly at present when it is desirable that both the quantity of food crops and of various other agricultural products should be increased to the maximum extent. The current report of the Agricultural Marketing Department recommends, among other things, that increased attention be given to the supply, through co-operative agencies, of suitable seed, fertilizers, and implements; that the provinces provide loans to societies in good standing to enable improvements in storage and other facilities; that there be a greater measure of co-operation between societies in the various provinces; that the governments of some provinces co-ordinate as far as possible the operations of co-operative societies and of private individuals concerned with similar marketing problems; and that all possible steps be taken to encourage a closer relationship between marketing and consumers' co-operatives.

## ECONOMIC CONDITIONS IN BRAZIL IN 1942

L. S. GLASS, CANADIAN COMMERCIAL ATTACHÉ

### II

(The average value of the cruzeiro in 1942 was U.S.\$0.0507 as against U.S.\$0.0510 in 1941; one kilogram equals 2.2 pounds)

#### TRANSPORTATION

Statistics on the movement of railway companies and the development of rail traffic in Brazil are not available for 1942. However, despite the effects of the war, which resulted in a shortage of coal and other fuel as well as a lack of equipment and maintenance materials, 1942 was a satisfactory year for the Brazilian railway system. Balance sheets of the two principal railway companies of the country for 1942 showed considerable profits. The Estrada de Ferro Central do Brazil closed the year with an operating profit of 42,154,706 cruzeiros. This is particularly significant in view of the fact that, with the exception of small profits in 1928 and 1941, this railway has consistently operated at a loss since 1907.

The Companhia Paulista de Estradas de Ferro also showed a profit in 1942 of 44,591,071 cruzeiros, which, as compared with the balance for 1941, was an increase of 7,866,502 cruzeiros.

#### COFFEE

The lack of shipping facilities seriously affected Brazilian exports of coffee, which in 1942 amounted to only 7,279,658 bags as against 11,054,566 bags in 1941 and 16,645,093 bags in 1939. The total value of coffee exports was 1,961,777,000 cruzeiros (\$100,050,627) as against 2,017,116,000 cruzeiros (\$107,500,000) in 1941. The high average price of 270.03 cruzeiros per bag that ruled during 1942, as against 182.50 cruzeiros for 1941, compensates to a considerable extent for the reduced volume of coffee exports in 1942.

Among the countries supplying coffee to the United States, Brazil was most affected adversely by wartime conditions, being able to ship only 56 per cent of her allotted quota of 13,772,900 bags, while Colombia, for instance, shipped 90 per cent of her quota of 4,668,142 bags, and Salvador 75 per cent of 935,779 bags. In June, 1942, the Consultative Council of the National Coffee Department recommended a new quota of sacrifice of 35 per cent for the 1942-43 crop. However, as the Sao Paulo and Parana crops were considerably damaged by heavy frosts and rains, the Federal Government put in force a sacrifice quota of 10 per cent for those two states and one of 35 per cent for the other states.

An agreement was also concluded with the United States for the purchase of 12,500,000 bags of coffee at a value of U.S.\$154,000,000, representing the balance of the quota allotted to Brazil for 1941-42, which could not be shipped, and the whole quota for the 1942-43 crop. The scheme was based on a total estimated crop of 13,960,000 bags, which, with a balance on hand of 5,282,000 bags, gives a total of 19,242,000 bags, while prospective exports were estimated at 12,800,000 bags.

The quantity of coffee incinerated in Brazil during 1942 amounted to 2,313,805 bags as against 3,422,835 bags in 1941, which makes a total of 76,872,835 bags incinerated up to December 31, 1942.

#### COTTON

At the beginning of 1942 the Brazilian cotton situation was not promising. Besides the loss of the Japanese market, which consumed almost 50 per cent of the Brazilian production, shipments to Canada, which had been encouraging, were reduced. In order to improve conditions, the first measure taken by the Government was to advise growers to reduce their cultivated areas. This



measure, together with damages caused to crops by bad weather, brought about a reduction in volume. The São Paulo crop, which was estimated at 320,000 tons, amounted to only 282,000 tons, while production in the northern states, estimated at 106,000 tons, reached only 85,000 tons. The Government then authorized financing of the crop on the basis of 50 cruzeiros per 15 kilograms. However, as the heavy rains continued to cause severe damage, the Government established the basis of financing at 60 cruzeiros per 15 kilograms.

During the last quarter of the year, with the announced purchase by the United States of 58,000 tons of linters at U.S.\$90,000,000 and increased shipments to Spain and Great Britain, the situation improved considerably. On the other hand, the annual consumption of local mills increased from 150,000 to 180,000 tons, and prices were maintained, with an increase of between 40 and 50 per cent, owing to the small size of the crop.

These factors, together with the extraordinary expansion of cotton yarn and textile exports, contributed to the substantial improvement in the Brazilian cotton situation at the end of the year.

### INDUSTRIAL PRODUCTION

The expansion in industrial development reported in 1941 continued in 1942. This was the direct result of wartime conditions, many of the consumer goods formerly imported being no longer available because of production restrictions and export prohibitions imposed in the only countries of supply left open: Great Britain, Canada, and the United States. During the pre-war period, subsequent to the depression period of 1929-33, the industrial growth of Brazil received a great impetus because of the country's depreciated currency, which made imported goods too expensive for the average purchaser, thus directly encouraging the domestic manufacture of substitutes. As a result, Brazil had a highly diversified industrial organization already developed to take advantage of the situation imposed by wartime conditions to increase production. Further, it was considered more desirable to ship machinery and equipment to Brazil for the manufacture within the country of essential items than to use shipping space for the transport of the finished goods.

Industries requiring a large percentage of imported raw materials have been less favoured, of course, than those using locally produced materials. However, Brazil has a large actual and potential supply of materials similar to those imported. For example, Brazil has been a heavy importer of jute for the manufacture of sacks for coffee exports. As a result of the shortage of jute, attention was directed toward local fibres, and a good substitute is now being widely used. Probably the greatest single example of the development imposed by the war is in the cotton textile industry. Before the war, Brazil was not only a non-exporter but was an importer of considerable quantities of cotton piece-goods, yarns, etc., although one of the world's greatest producers of raw cotton. In 1934 the total value of imports of cotton piece-goods was \$1,611,000; by 1940 this had decreased to \$270,000. Brazil now exports cotton piece-goods to practically every country in South America and also to South Africa.

Several important development projects now in course of completion will have a great influence on Brazil's post-war economy. The Itabira iron mine, with its rich deposits of hematite, is being exploited with a view to supplying the Companhia Nacional de Siderurgia (National Smelting Company), which is being developed at Volta Redonda. The Government of Brazil is taking a keen interest in this and many smaller, but none the less important, developments. A few of the latter projects are the manufacture of caustic soda; aeroplane motors and tractors; the extraction of coal-tar products; certain chemical industries, particularly those associated with the production of explosives, and many others. In view of these developments, the post-war position of Brazil as an importing country will be radically changed. It is expected that the



greater proportion of the staple products required in the country will be supplied by local industries, and the demand will be more for industrial machinery, raw materials, and semi-manufactured goods for processing locally. On account of the greatly increased purchasing power of the Brazilian public, resulting from the heavy industrial expansion, luxury and novelty goods will undoubtedly find a ready sale.

#### MEAT, HIDES AND SKINS

The year 1942 was a prosperous one for Brazil's slaughtering industry. Export statistics are not available for publication, but the volume of shipments has been most satisfactory. Great Britain made an agreement with Brazil for the purchase of 69,000 tons of corned beef at a very remunerative price, and another contract was later signed for the sale of an additional 10,000 tons of meat.

Exports of hides and skins have been good and, besides shipments of unprepared hides and skins to Great Britain and the United States, Brazil also sold substantial quantities of tanned hides and leather.

#### PAPER BAGS FOR PACKING CUBAN SUGAR

J. E. O'NEILL, OFFICE OF THE TRADE COMMISSIONER

Havana, September 11, 1943.—Cuba's normal annual requirements of jute bags for packing the sugar crop are approximately 25,000,000 with a capacity of 325 pounds each. Adoption of a proposal to use a smaller paper bag for this purpose would possibly double or even triple the number required to handle the normal crop as compared with the number of over-size jute bags.

Following is a translation of a report on tests made of paper bags for packing Cuban sugar, that was published recently in the official bulletin of the Cuban Department of Agriculture.

Recently Dr. Joaquin Martinez Saenz, Minister of Agriculture, had occasion to witness, together with a group of officials and other important persons, the tests carried out at the "Toledo" sugar mill in connection with the packing of sugar in paper bags. This interesting process started with the operations of filling and sealing the bags and included the stowing and the throwing of the bags to simulate accidents. The paper bags satisfactorily withstood all tests.

The present international situation, brought about as a result of World War II, has convinced producers of raw sugar in the United States and in the Caribbean and other areas of the American continent of the uncertainty and excessive cost they have to bear because of the necessity of using jute bags to pack their sugars, as these containers must be brought from India. The scarcity of shipping, coupled with the impossibility of ensuring transportation through the vast maritime areas affected by the war, is the main reason for the high prices that sugar-producers are now forced to pay. Cuban millers report that the cost of the jute container with a capacity of 325 pounds has more than doubled during the past year, and that this increase in cost is a trifling matter compared to the uncertainty and difficulties that are experienced in delivering these containers. It is apparent therefore that sugar-producers in America would approve the replacement of the jute bag by another type of container that would, at an economical cost, remove the uncertainty affecting this field of industry. This new container would be the product of a permanent industry once the state of universal emergency which obtains to-day is over and unrestricted trade is again resumed.

#### JUTE BAGS

The jute bag, with a capacity of 325 pounds of raw sugar, has been in use for packing this product ever since sugar mills were modernized, first by abandoning the use of the yagua (royal palm) and subsequently the hogshead as a

container. The jute bag is consequently solidly established to the extent that tradition and the interests that have developed as a result of its use as the only container for raw sugar have on more than one occasion caused the failure even of efforts directed only at reducing the West-Indian size (325 pounds) to one of 200 pounds, which is in almost universal use to-day. Tradition is so strong in this aspect of the sugar industry that it would require the undertaking of an intense educational campaign among the various elements composing this industry: employers, workers, dealers, etc., as well as among the governments of the various producing countries, if the complete elimination of the Indian jute container from use by American sugar mills is desired. As an example of the difficulties attending the implementing of such a proposal, an attempt by an American-owned sugar mill in Cuba to reduce the capacity of the container from 325 to 200 pounds, although the bag would continue to be of jute, was opposed by the stevedores who handled the sugar.

### PROTECTION OF THE WORKER

However, all countries in the Caribbean that produce sugar have developed their social systems to a considerable degree, and they now enjoy labour legislation that protects the workers. This legislation in many cases fixes the daily wages payable for each type of work done by all groups of specialized workers in the various industries. For that reason it is probable that an economic understanding could be reached so that workers now employed by the sugar mills, land and maritime transportation companies, warehouses, etc. would be equitably compensated for their work, even if the weight of the container is reduced to not less than 100 pounds per unit.

The Government must also lend a hand to bring about this change, in order to stimulate a new industry the establishment of which will in the end bring upwards of \$20,000,000 into the country's economy and at the same time will prevent the loss of \$5,000,000, the purchase price paid by the sugar industry in Cuba every year for jute bags of Indian manufacture.

### TAXATION PROBLEMS

The Treasury Department might object to this movement on the grounds that it would give way to future difficulties in the collection of the taxes levied on the sugar industry, as all calculations are now made on the basis of 325-pound bags. It is suggested that all taxes now levied on this industry be consolidated, whether on a per pound or per bag basis, in a single tax, and that a corresponding proportion of this tax be levied on each 100-pound bag. Once this single tax is established on the bag of 100 pounds, the total revenue collected therefrom can be divided proportionately among the various budgetary obligations to be covered from the proceeds of the single tax on sugar.

The two circumstances noted above, namely, the opposition of the workers to a change in the weight of the bag and the reluctance of the Government to change the present plural system of taxation levied on the bag of 325 pounds, in conformity with special legislation now in force, could be obviated if the proposed reform is studied in the light of a highly patriotic as well as an understanding and practical spirit.

### NEW EQUIPMENT

Once the objections indicated above are corrected, the sugar producer will unhesitatingly invest the small sums required to carry out the adaptation of his present equipment to the use of the paper bag of 100 pounds' capacity especially manufactured for the packing of raw or refined sugars.

The production of paper containers has progressed considerably during the past ten years, and it is being demonstrated that products and materials as difficult to handle as sugar can be packed successfully and economically in paper



bags. Among these are cement, chemical fertilizers, cereals, flours, starches, all kinds of grains; and refined sugar. Cement is even more easily deteriorated than sugar, as humidity damages it considerably; yet upwards of 60 per cent of the cement now manufactured is packed and handled in paper bags.

#### CONCLUSIVE TESTS

Recently paper-bag manufacturers in the United States have been experimenting in order to verify the durability, resistance and other physical characteristics of these bags when used for packing raw sugar, and they have reached practical conclusions on the subject. One of the large companies effected comparisons between bags manufactured exactly like those used for packing cement, that is four- or five-ply, and especially manufactured bags that included a cover waterproofed by treating the paper with a suitable asphaltic emulsion. Bags of these two types, filled with sugar, were exposed to severe outdoor winter conditions, and it was found that those with waterproof covers withstood the severest tests with no damage to the contents. Several bags of both types were filled and placed in a damp warehouse full of rats. The treated bags proved immune to rats, while other bags were completely destroyed and the sugar was consumed.

It has also been proved that five-ply paper bags, the inner sheets of which have been previously impregnated with an asphaltic solution to waterproof them and to increase resistance, withstand the severest treatment during handling and transportation.

#### VARIOUS USES

Open-end paper bags are being used throughout the world for the transportation and storage of a wide variety of products. Among the most noteworthy uses to which these bags are put are the shipment of grated coconut meal from the Philippines to New York in 100-pound units, the successful packing of products as perishable as yeast, as well as rosin and asphalt, which are poured into the bags in melted form. Cement, rice and all kinds of grains, refined sugar, and various types of chemical fertilizers with strong physico-chemical characteristics have been packed, stored and transported successfully and economically in paper bags in the United States for many years and in such great volume that it must be admitted that the use of these bags for the packing of these products is approved by manufacturers and consumers. There is, therefore, no question at the present time as to the capacity of these bags to withstand all kinds of hard usage from stowage, shipment by sea, and handling in and out of warehouses, ships and freight cars, all these tests having been successfully met and passed by bags used for various purposes and under all transportation conditions.

Consultations with various chemists specializing in sugar support the view that raw sugar can be satisfactorily handled if paper bags are used for packing, storage and transportation. Past experiences in many fields of experimentation prove that the reduction in the weight of the individual bag from 325 to 100 or 125 pounds will result in considerably decreased handling costs where these are for manual labour. It has been shown that, when the bag of 200 pounds or more has been reduced to units of 100 pounds, packing and handling costs have been appreciably reduced.

In order to dispel any ideas to the effect that this plan might be one depending solely on prevailing abnormal conditions, it should be remembered that never since 1932, and despite changing conditions affecting paper, jute and cotton, has there been a single instance of a packer of any one product who, after having switched from cotton or jute bags to paper bags for the transportation or storage of products, has reverted to the use of cotton or jute. Once the paper bag has been adopted for packing a product, it has proved more economical than any other method.

## TARIFF CHANGES AND TRADE REGULATIONS

## Dominica

## INCREASED DUTIES ON TOBACCO

A Dominican resolution of August 25, 1943, increased the additional import duty, under both the British preferential and general tariffs, on unmanufactured tobacco from 4d. to 7d. per pound and on cigarettes from 8d. to 1s. 8d. per pound. At the same time an additional import duty of 1s. per pound was imposed on manufactured tobacco other than cigars and snuff.

## Belgian Congo

## CERTAIN GOODS EXEMPTED FROM EXPORT DUTY

Mr. H. L. Brown, Canadian Trade Commissioner at Johannesburg, writes that a Belgian Congo ordinance of June 16, 1943, exempts from export duty a number of products including rubber; cement; peanut, cottonseed and castor oils; manufactured tobacco; coffee; fruits; periodical journals and publications; and certain native art objects.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING SEPT. 27, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, September 27, 1943, and for the week ending Monday, September 20, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Sept. 20	Nominal Quotations in Montreal Week ending Sept. 27	Official Bank Rate
Great Britain. . . . . Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. . . . . Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico . . . . . Peso	.4985	.2284	.2284	4
Jamaica . . . . . Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. . . . . Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2777	.2777	—
Brazil. . . . . Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana . . . . . Dollar	1.0138	.9313	.9313	—
Chile . . . . . Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. . . . . Peso	.9733	.6358	.6358	4
Venezuela . . . . . Bolivar	.1930	.3330	.3330	—
Uruguay. . . . . Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5879	.5879	—
South Africa. . . . . Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India . . . . . Rupee	.3650	.3359	.3359	3
Australia . . . . . Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. . . . . Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—



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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**



# Commercial Intelligence Journal

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## ECONOMIC CONDITIONS IN AUSTRALIA IN 1942

### I

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

(£A1 equals approximately \$3.60 Canadian)

Melbourne, August 31, 1943.—During 1942 there were economic changes of great importance in the Commonwealth of Australia. Many courageous measures were introduced under the wide powers conferred by the National Security Act to prepare the national economy for a maximum war effort. As was expected, such regulations seriously affected the operations of business, commerce and finance.

Austerity was the keynote not only of government policy but of everyday life. This policy was largely forced on the Commonwealth by a shortage of consumer goods of all kinds, due to the demands of the armed forces and to the diversion of manpower and productive equipment from civilian to military requirements. The effect of the diversion of manpower is apparent from the facts that two out of every seven men in the Commonwealth over the age of 18 years are in one of the armed services, vast numbers of young women have been taken into auxiliary services, and the number of persons absorbed into purely wartime factories reached an all-time high level as the war production plans of the Department of Munitions materialized.

### EMPLOYMENT CONDITIONS

Early in 1942 steps were taken to ascertain the extent and availability of manpower. The method used was to require every British subject resident in Australia to fill out an application card for enrolment on a national register. Registration was also effected in the form of an application for personal identity cards which Australians have been required to carry with them at all times.

At the same time, the Government announced a change in the classification of industries. These were divided into three main groups on a priority basis which established a system of reserved occupations. Shortly afterwards a committee of the War Cabinet was set up to review completely and periodically the whole question of manpower in relation to the fighting forces, production and essential services. In this the committee would bear in mind such problems as demands for seasonal and temporary labour and diversion of labour from one industry to another, always ensuring that every available suitable man was diverted into the fighting forces and that the production of supplies for these services were maintained at their maximum.

The fighting services continued to draw on the usual age classes for fit men, and they increased their efforts to secure the services of women to replace men employed on base duties. With the urgent necessity for the rapid construction of defence works of various types throughout Australia, but principally in areas remote from centres of population, an Allied Works Council was created. To implement the proposals of the fighting services and the plans of the Allied Works Council, it was decided to create a civilian army of engineers known as the Civil Construction Corps. When first announced, the scheme envisaged the employment of 35,000 men in this corps. Most of them were compulsorily enrolled and were selected from the 45 to 55 age group. The Director General of the Allied Works Council, in fact, had power to direct men from 18 to 60 to serve in the corps. Men enrolled would be paid the rates established by law for each trade, while married men were obliged to allot £3 per week (\$10.80 Canadian) to their wives. No details have been made available of the extent and variety of the works upon which the Allied Works Council and Civil Construction Corps have been engaged, but the contribution of these organizations to the defence equipment of Australia has been great.

To ensure the reservation of available manpower to essential industry, further steps were then taken to require all persons unemployed for more than seven days to register at neighbourhood employment offices. Additionally, all persons desiring to employ labour had to apply to these offices, and labour preference would be given them according to the type of work to be performed.

As a further step towards the conservation of manpower, a measure of "rationalization" was introduced. For example, banking hours were reduced. Banks closed at 2 p.m. instead of at 3 p.m., while branches in country centres were closed altogether in increasing numbers.

As a result of the efforts of the Department of War Organization of Industry, overlapping of deliveries of merchandise from the larger departmental stores, dairies and bakeries was eliminated.

For the three months April to June, 1942, it is estimated that 105,000 persons were changed over to war work. Although a great achievement, it had to be exceeded if the plans of the Government for 1942 were to be implemented. By the end of August the plans still required the transfer of 183,000 persons, and a further research into non-essential industries was undertaken.

Greater attention was paid during 1942 to the possibility of recruiting women for war work, and steps were taken to reduce the numbers employed as domestics. Studies were made of the possibility of employing aliens in less essential work and in such labour as wood-cutting. The possibilities of withdrawing men from military service to overcome the shortage of skilled manpower, of a system of interchange of skilled labour between the defence services and civil and war industries, and of releasing servicemen temporarily for seasonal rural work were also given consideration.

In Western Australia, from which enlistments have been heavier proportionately than from any other state, the effect on seasonal labour of enlistments was striking. The biggest loss was in sheep-shearing, in which the falling off was 70 per cent; in tobacco growing the fall was 60 per cent; in potato- and



flax-growing, 50 per cent; while in the dairying, fruit-growing and cereal industries seasonal labour in December, the harvesting period, was described as varying from "very scarce" to "almost unobtainable".

This shortage of agricultural labour was early recognized by the Commonwealth authorities, and one step taken to meet the position was the organization of a Women's Land Army, the members of which have already rendered valuable service to the Commonwealth.

However, by the end of August it was announced that no less than 139,000 men and 44,000 women would have to be found for essential services if the Government's plans were to be implemented before the end of the year. From statements of the Prime Minister at the end of 1942 it was apparent that the labour objective had not been reached, in fact he stated that in developing its war program the Commonwealth was faced with a manpower situation of the utmost gravity. In the preceding twelve months between 400,000 and 500,000 persons had been diverted from civilian activities to war occupations in the services and defence production.

With respect to Australia as a whole, the Commonwealth Bank statistician reported that during the twelve months ending October, 1942, the number of males in employment declined by 105,000 to 1,291,000, while the number of women employed increased by 37,000 to 574,000. These totals are exclusive of defence workers, rural labour and domestic household workers. The report stated further that employment in government munition factories and annexes increased by 44,000 to 115,000, while there was a decline in other factory employees of 34,000 to 594,000.

The percentage of members of trades unions unemployed in Australia declined from 2.9 in November, 1941, to 1.6 in August, 1942, and 1.3 in November, 1942.

### BANKING

Banking statistics indicate the effects of steadily increasing employment in industry. The first of these is naturally reflected in note circulation. The Commonwealth Bank, the sole bank of issue, reports that the value of notes held by the public at the end of 1942 aggregated £A105,200,000 as compared with £A64,700,000 at the end of 1941 and £A34,800,000 at the end of 1939. The value of notes held by banks has increased to only £A15,500,000 from £A14,600,000 in the same period.

Increases in saving banks deposits also reflect greater earnings, the total of such deposits at the end of 1942 aggregating £A309,012,000 as compared with £A266,096,000 at the end of 1941 and £A245,587,000 at June 30, 1939.

Total deposits with the nine trading banks of the Commonwealth increased during 1942 to £A419,427,283 from £A367,701,731 at the end of 1941 and £A323,963,711 at June 30, 1939. The volume of business transacted within the Commonwealth is indicated by the statistics of bank clearing houses. The average weekly value of bills, cheques, etc., excluding treasury bills, cleared in Sydney rose from £A17.9 millions in 1939 to £A24.2 millions in 1941 and £A24.7 millions for December, 1942. In Melbourne comparable figures were £A15.6 millions as the average weekly total for 1939, £A22.5 millions for 1941, and £A25.2 millions for December, 1942.

With large government expenditures during wartime, it is natural that treasury bills would be resorted to in order to meet current expenses until loans or taxes became available to the Treasurer. The average weekly amount of treasury bills outstanding during 1939 amounted to £A23,200,000. For 1941 this amount had increased to £A41,600,000, and for 1942 the weekly average was up slightly to £A46,900,000, although the average for December, 1942, was £A64,000,000.

A government regulation requires trading banks to pay their surplus earnings into a special deposit account with the Commonwealth Bank at a nominal interest rate. It was stated that this compulsory deposit was to prevent the private banks from lending money to the public by means, perhaps, of overdrafts, carrying a maximum interest of 5 per cent, or investing in War Loans at  $3\frac{1}{4}$  per cent. It was considered that such loans would create a tendency toward inflation. In December, 1941, such deposits with the Commonwealth Bank amounted to £A7,800,000, while the average weekly deposits during July, 1942, amounted to £A36,300,000 and for December, 1942, to £A64,100,000.

Advances, discounts, etc. of the nine trading banks seem to reflect the effect of the foregoing regulation. During 1939 the average weekly aggregate of advances, discounts, etc. was £A290,700,000, for 1941 it was £A280,400,000, and for 1942 it amounted to £A262,100,000, while the weekly average for December, 1942, was only £A244,400,000.

### FINANCE

When presenting his budget for the fiscal year 1942-43 the Commonwealth Treasurer summarized estimates of revenues and expenditures and compared the figures with the results for the fiscal year 1941-42 as follows:—

	1941-42 Actual £A Millions	1942-43 Estimate £A Millions	Increase £A Millions
Revenue—			
Taxation . . . . .	180	219	39
Other receipts . . . . .	30	30	...
	210	249	39
Expenditure—			
War . . . . .	320	440	120
Other . . . . .	101	109	8
	421	549	128
Deficiency to be financed by loans, etc. . .	211	300	89

The actual expenditure on war during the fiscal year ending June 30, 1941-42, amounting to nearly £A320 millions, was £A98 millions more than was budgeted for, due entirely to the unprovoked attack of Japan on the United States, which was subsequently extended and threatened Australia. Immediately after the entry of Japan into the war, new fiscal measures were introduced that had the effect of increasing taxes. In May, 1942, further increases were announced but, despite the steps taken as the fiscal year ended, there was a deficiency of £A78,428 000 between revenue and expenditures, which was met by means of treasury bills discounted with the Commonwealth Bank.

In the same fiscal year three loans were offered to the public and fully subscribed, the total of £A119,873,000 including new money and conversions.

Sales of war savings certificates during that fiscal year amounted to £A13,194,000, somewhat below the total for the previous year. Total sales of such certificates at the end of June 1942, amounted to £A35,706,000. In April a plan was introduced for offering the public what were known as "War Savings Bonds". These were of £A10 denomination and bore interest at 3 per cent. Sales until June 30, 1942, amounted to only £A659,000.

For many reasons it was decided to introduce in Australia a uniform tax plan. It replaced the former multiple taxing systems of the Commonwealth and states and is to operate for the duration of the war and one year thereafter. Under this system the Commonwealth is the sole income-taxing authority, and now collects income taxes formerly collected by the states, in addition to its own taxes. In consideration of the states vacating the field, the Commonwealth Government will pay compensation yearly to each state equivalent to the average of that state's collections from income tax for the financial years 1939-40 and



1940-41. The grants, totalling £A33,489,000, will be allotted as follows: New South Wales, £A15,356,000; Victoria, £A6,517,000; Queensland, £A5,812,000; South Australia, £A2,361,000; Western Australia, £A2,546,000; Tasmania, £A888,000.

When presenting his budget proposals for the fiscal year ending June 30, 1943, the Commonwealth Treasurer referred to the great increase in employment and economic activity. He said incomes had expanded and the spending power of the people was greatly in excess of the flow of goods and services that the nation could spare for civilian needs. He stressed the fact that, if Australia's financial and economic system was to be kept balanced, the transfer of spending of incomes from civil consumption to war requirements must parallel the proportion in which manpower has been transferred from peacetime pursuits to those of war. He suggested that steps would have to be taken to prevent the misdirection of excess spending power.

Towards the end of 1942 the Commonwealth Government invited subscriptions to a "war and conversion" loan. Great efforts were exerted not only to raise the £A100,000,000 required but to secure a record number of subscribers. The loan was over-subscribed, with cash subscriptions amounting to £A82,700,000 being received from 452,000 subscribers and conversions amounting to £A22,000,000. Small subscribers, of £A100 or less, numbered 392,000.

#### COST OF LIVING

From the foregoing observations regarding full employment and increased note circulation, etc., it could be expected that increases in cost-of-living indices would show an upward tendency. This tendency has long been apparent to economists who have been studying the problem of inflation in Australia, and many measures intended to prevent, or at least limit, inflation have been introduced. All the plans devised during 1942 were not made effective, with the inevitable result that the cost of living continued to maintain the advance recorded since 1939 and showed some additional increase.

The retail price index of the Commonwealth Statistician for "all groups combined—food, groceries, and housing" for the December, 1942, quarter reached 101·9 as compared with 96 for the same quarter of 1941. The average index for this group for the whole of 1942 was 100·7 as compared with 95·6 for 1941, 95 for 1940 and 93·9 for 1939.

Since the outbreak of war in September, 1939, the cost of living generally in the six capital cities of Australia has increased by 20·7 per cent. The highest advance was in Melbourne, with 21·8 per cent.

The greatest changes, not always reflected in cost-of-living indices, have occurred in foodstuffs. Market-garden products, for example, have advanced in price since the outbreak of war. Green peas, which were readily obtainable at a pre-war price of 2½d. per pound, were worth 9d. at the end of 1942. Prices of many other market-garden products have advanced threefold and even fourfold since 1939.

#### BASIC WAGE INCREASES

Throughout Australia long established legislation maintains what is known as the basic wage. Briefly it was originally estimated to be the weekly wage that would enable an unskilled worker, married with three children (now two children), to subsist. It is provided that adjustments shall periodically be made in the basic wage if changes have occurred in that period in the cost-of-living index.

Since the outbreak of war in 1939, successive Federal Governments and the Commonwealth Prices Commissioner have tried to achieve a reasonable measure of price control. Despite these efforts, the retail price index numbers rose

steadily. The upward trend during 1942 was steeper than in any previous twelve-month period since the outbreak of war, and frequently fears were expressed that the process of inflation was well under way. Since retail price index numbers have steadily advanced during the war, the basic wages have been constantly reviewed and adjusted upwards. The following table shows the movement of the weekly basic wage as of February 1 of the years 1940 to 1943, inclusive:

*Basic Wage Adjustments*

	1940	1941	1942	1943
	£A d.	£A d.	£A d.	£A d.
Sydney .. . . .	4 2	4 8	4 11	4 18
Melbourne .. . . .	4 1	4 6	4 9	4 18
Brisbane .. . . .	3 17	4 2	4 6	4 11
Adelaide .. . . .	3 17	4 2	4 6	4 13
Perth .. . . .	3 17	4 1	4 6	4 12
Hobart .. . . .	3 18	4 3	4 7	4 14

These wage increases indicate an advance of 19·5 per cent for Sydney and 21 per cent for Melbourne.

## AUSTRALIAN CONTROL OF THE PRODUCTION OF AUTOMOTIVE SPARE PARTS

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, August 27, 1943.—An Order was recently issued by the Commonwealth Minister for Supply and Shipping bringing automotive spare parts under control. Prior to the issue of the Order, a Controller of Automotive Spare Parts had been appointed in the Department of Supply and Shipping to supervise the distribution of these products. Arrangements are now being concluded whereby the Department will undertake the expansion of Australian production of automotive spare parts.

As a preliminary step to the control of production and distribution, Australian manufacturers and wholesale distributors were required to register with the Controller of Automotive Spare Parts. The control of distribution was set forth in the Order of the Minister, referred to above. The Order also included information concerning the form of application which has to be made by motor-vehicle users requiring these products.

It is reported that Australian production of spare parts has already expanded considerably. It is expected that by the end of 1943 the position will be much improved, largely as a result of diverting the activities of factories from the production of munitions to this manufacture.

For the information of those interested in this subject, copies of the Order referred to are available for inspection on application to the Department of Trade and Commerce, Ottawa, quoting file No. 17101.

The Commonwealth Department of Munitions recently announced that its production program would be expanded to include the manufacture of automotive spare parts, control of which has been allotted to the Directorate of Gun Ammunition. This Directorate would utilize workshop capacity that had been diverted to munitions temporarily. Already orders for 750,000 bearings for a standard type of motor vehicle are being filled by the Department of Munitions at the rate of 5,000 a month, but the installation of additional machines and the replanning of factories have already raised production to 18,000 monthly, with plans well advanced to increase the rate to 40,000 a month.

The production of pistons of a standard type has been raised from 3,000 to 6,500 a month, and it is expected that the rate of production will reach 12,000



a month by the end of September. The extension of Australian facilities to manufacture aluminum pistons is also reported, while additional plant for the machining of piston rings, now being installed, will increase the production rate of one factory by 30,000 rings a month, and another factory recently released from the production of munitions will supply a further 20,000 piston rings a month.

## NEW ZEALAND TRADE, 1942-43

C. B. BIRKETT, ACTING TRADE COMMISSIONER

Auckland, August 11, 1943.—The latest trade returns indicate a great change in New Zealand's trading position during the twelve months ended June 30 last. The figures show that in this period, known usually as the export or production year, the value of exports declined by £2,737,000, while imports increased by no less than £20,394,000. In effect, when comparing the year's results with those of the previous year, a credit balance of £22,661,000, the highest in ten years, has been changed into a debit balance of £470,000. The position has altered in one year by the sum of £23,000,000. The main factors contributing to this reversal have been the expanded imports of war equipment and materials, mainly on lend-lease, and an increased demand on the spot for New Zealand food and materials on reverse lend-lease, which has affected export values to a certain extent.

Nonetheless a record value of total trade was reached during the year. Exports were valued at £71,302,000, which is slightly less than for the previous year—the highest ever recorded. Imports reached the record total of £71,772,000.

Exports, imports and trade balances for the last six seasons are as follows:—

### *Statistical Summary of Trade for Production Years*

	Exports	Imports	Balance	
			Fav. (+)	Unfav. (—)
1937-38. . . . .	£61,920,000	£57,543,000	+£	4,377,000
1938-39. . . . .	57,891,000	56,500,000	+	1,391,000
1939-40. . . . .	65,859,000	46,070,000	+	19,789,000
1940-41. . . . .	65,766,000	46,185,000	+	19,581,000
1941-42. . . . .	74,039,000	51,378,000	+	22,661,000
1942-43. . . . .	71,302,000	71,772,000	—	470,000

Returns covering the first six months of the current year show an even greater movement towards increased imports and reduced exports than for the twelve-month period. At June 30, 1942, New Zealand's six-month trade showed a credit balance of £18,949,000; for the corresponding period in 1943 this was transformed into an unfavourable balance of £8,726,000.

Import and export values and balances of trade for the first six months of the past five years are:—

### *Statistical Summary of Trade, January-June*

	Exports	Imports	Balance	
			Fav. (+)	Unfav. (—)
1939 . . . . .	£36,882,000	£28,187,000	+£	8,695,000
1940 . . . . .	44,632,000	24,870,000	+	19,762,000
1941 . . . . .	36,657,000	22,057,000	+	14,600,000
1942 . . . . .	43,217,000	24,268,000	+	18,949,000
1943 . . . . .	33,644,000	42,370,000	—	8,726,000

## INDIAN WHEAT CROP, 1942-43

PAUL SYKES, CANADIAN TRADE COMMISSIONER

Bombay, August 10, 1943.—The *Indian Trade Journal* of August 5 contains final details of this country's 1942-43 wheat crop, which was harvested some months ago.

### TOTAL AREA AND YIELD

The 1942-43 wheat crop was harvested from 34,298,000 acres, an increase of 259,000 acres over the 1941-42 estimate of 34,039,000. This increase, although comparatively unimportant, can be partly ascribed to the efforts of the central and provincial governments to encourage food production and divert land that had previously been used for some textile crops to the production of wheat or other grains.

The total estimated production of wheat in 1942-43 was 10,971,000 tons, a substantial improvement over the 1941-42 total of 10,037,000 tons as evidenced by the higher yield per acre of 717 pounds in 1942-43 as against 661 pounds in the previous season.

### DISTRIBUTION

As noted in previous reports, the bulk of the Indian wheat crop originates in the Punjab and the United Provinces. These two areas between them contributed no less than 7,549,000 out of the total tonnage for the year of 10,971,000. Producing areas of secondary importance are Bihar, the Central Provinces, Sind, Rajputana, the Northwest Frontier Province, and Bombay.

Data of yield per acre show wide variations, from 1,134 and 1,017 pounds in Baroda and Bihar to 292 pounds in Central India. The figure for the Punjab, the principal wheat-growing area, was 885 pounds, or slightly less than 15 bushels.

### FOREIGN TRADE IN WHEAT

The latest available statistics of India's foreign trade in wheat are for the year ended March 31, 1942. During that year exports amounted to 185,900 tons, a large increase over the total for 1940-41 of 45,000 tons. Imports of wheat into India during the same years are recorded as 18,100 and 18,800 tons respectively.

## INDIAN IRON AND STEEL INDUSTRY

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One rupee is approximately equal to \$0.335 Canadian)

Bombay, August 9, 1943.—The iron and steel industry is one of India's major industrial undertakings and ranks with the cotton and jute industries with respect to capital investment, value of production, and profits. Security regulations will not permit a comprehensive survey of its present establishment and operations, but the following general review may still be of interest as illustrating India's progress in developing iron and steel production and the important contribution made by this undertaking towards the successful prosecution of the war.

### RESOURCES

India is fortunate in having some of the highest-grade deposits of iron ore in the world. The Singhbhum iron belt, located partly in a district of the same name and in some of the Orissa states, 150 to 200 miles east of Calcutta, is estimated to contain some 3,000 million tons of ore of 60 per cent iron content.



There are less extensive and valuable deposits in Mysore State and in the Portuguese colony of Goa, as well as scattered deposits elsewhere throughout the country.

Coal is found in many different parts of India, but a large proportion of the known resources is unsuitable for metallurgical use. The Jharia field, located close to the Singhbhum iron belt, produces coal of excellent coking quality and is the principal source of supply of the leading units in the local iron and steel industry. Reserves are limited, but steps have been taken to conserve them as efficiently as possible.

Among other raw materials, limestone and dolomite are available in ample quantities and within easy reach of the main iron-ore and coal-producing areas.

#### EARLY DEVELOPMENT

It is said that iron has been made in India for as long as five thousand years. Whatever the period, it has been established that production of this metal dates back to very early times. Steel manufacture is a much more recent development, but is estimated to have begun at least one thousand years ago, at which time such articles as swords were made in Indian and frequently exported to Middle Eastern countries.

Efforts to establish an iron and steel industry along modern lines date from the closing years of the eighteenth century, but little progress was achieved through these and various subsequent attempts owing principally to incompetent management and competition from abroad. It is still recorded that pig iron was first made in India in 1811 and that steel production in a modern plant dates from 1912.

#### MODERN INDUSTRY

Realization of the value of adjacent deposits of high-grade iron ore and good-quality coking coal prompted the establishment of a modern iron and steel industry at Jamshedpur in the fairly early years of the present century and, as noted above, the first steel billet was rolled in 1912. The world war of 1914-18 gave a tremendous impetus to the venture, which soon attained a high degree of efficiency and has continued to expand to a point where the original undertaking is now credited with a larger output of iron and steel than any individual plant in the Empire.

There has been a concurrent development of other plants, one of which has attained substantial dimensions and is in process of further development. There are in addition a plant of limited capacity in Mysore, two steel-rolling plants, and a large number of smaller re-rolling mills, operations of which are based mainly on the use of scrap, although in the present emergency special arrangements have been made to increase the volume and range of their output by the supply of billets from both local and foreign sources.

#### PRODUCTION

Statistics of production in India's iron and steel industry during the ten years prior to the outbreak of the present war show that pig-iron output increased from slightly over 1,000,000 tons in 1929 to 1,800,000 tons in 1939. This pig iron is in wide demand in foreign countries, and from one-third to one-half of the output is customarily shipped abroad. During the same period the manufacture of steel ingots and castings increased by almost 100 per cent, or from slightly over 500,000 tons in 1929 to approximately 1,000,000 tons in 1939. It is estimated that the present rate of output is considerably above this latter figure.

Even more important than this increase in the tonnage of iron and steel produced in local mills is the increase in the variety of such products. The war

has thrown India on her own resources to an unusual extent, and the iron and steel industry, in meeting these conditions, has begun the manufacture of such materials as armour plate, stainless steels, high-speed steels, light alloy steels, spring steels, and nickel steel. Various new production processes have been developed simultaneously, while the industry has adapted itself closely to the requirements of the Government and of the numerous war industries that require iron and steel in their operations.

### INDIA'S POSITION IN WORLD TRADE

India's iron and steel industry has to date occupied a comparatively minor position in relation to similar undertakings in various other countries. The production and export of pig iron, as already noted, is substantial, Indian data for pre-war years comparing favourably with those for such countries as Luxembourg and Czechoslovakia, but they are, of course, much less than figures for the major producing countries such as the United States, Germany, and the United Kingdom. Steel manufacture having been a much more recent development, India has been less prominent in world trade, but the development and extension of local mills during recent years will assure this industry of a much more important position than has yet been attained.

### FOREIGN TRADE

A brief survey of India's foreign trade in iron and steel for several years ending March, 1940, shows imports of iron, mostly bars and channel iron, as varying in value from Rs.300,000 to Rs.600,000 per year. Exports, principally pig iron, fluctuated in value during the same years from Rs.12,451,097 in 1935-36 to Rs.28,782,951 in 1939-40. In the case of steel and manufactures the balance was in the reverse direction, imports of "iron and steel" having been valued at some Rs.60,000,000 per year as compared with exports of the comparatively small average value of Rs.2,500,000.

A high proportion of India's imports of iron and steel goods originates in the United Kingdom, other suppliers of outstanding importance being Germany, Belgium, and Japan.

The Indian customs tariff applying to iron and steel manufactures provides protection for those types that are produced in India, while "revenue" rates are specified for others. In a considerable number of instances the "protective" rates amount to one and one-half times the excise duty leviable on steel ingots produced in India, with the addition in some instances of a specific rate and an alternative ad valorem rate as a further safeguard. The tariff also provides substantial preferences for iron and steel goods manufactured in the United Kingdom or the colonies as compared with the general rates applying to the Dominions or non-Empire countries.

### SUMMARY

Considerable has been said regarding India's efforts to attain a greater degree of economic self-sufficiency than she has enjoyed to date and of the effect of the war on industrialization. Many of these statements have overlooked the fact that various Indian industries are of a purely local character, that investment in some of them is small, and that others are dependent for their existence on abnormal wartime conditions such as the absence of foreign competition and the availability of numerous and valuable government contracts. India's iron and steel industry, however, is a well conceived, efficiently managed, and rapidly expanding enterprise. It appears to be assured of a sound and prosperous future.



FOREIGN TRADE OF BRAZIL IN 1942

L. S. GLASS, CANADIAN COMMERCIAL ATTACHÉ

(The average value of the cruzeiro in 1942 was U.S.\$0.0507 as against U.S.\$0.0510 in 1941; tons are metric tons of 2,204 pounds)

Rio de Janeiro, September 1, 1943.—Notwithstanding the abnormal conditions that prevailed during 1942, Brazil's international trade showed satisfactory results. There was a favourable balance of trade for each month except March, and the year closed with a favourable balance of 2,851,176,000 cruzeiros, which was more than double the 1941 figure of 1,211,229,000 cruzeiros. This balance resulted not only from a reduction in imports, which occurred since the end of the first quarter of the year, but more particularly from the increased value of exports of 769,878,000 cruzeiros in 1942 over the value for 1941.

TONNAGES

A further reduction in volume was recorded for imports—from 4,049,338 tons in 1941 to 3,003,044 tons in 1942; exports also declined—from 3,535,557 tons to 2,659,548 tons.

Following are the figures for the past five years:—

*Brazilian Imports and Exports by Volume*

	Imports Tons	Exports Tons
1938 .....	4,913,170	3,933,870
1939 .....	4,788,646	4,183,042
1940 .....	4,336,133	3,236,916
1941 .....	4,049,338	3,535,557
1942 .....	3,003,044	2,659,548

AVERAGE PRICE PER TON

A further increase was shown in the cruzeiro value per ton of both imports and exports in 1942. The import values varied from a minimum of 1,350 cruzeiros in January to a maximum of 2,219 cruzeiros in August, the average for the year being 1,547 cruzeiros as against 1,362 cruzeiros in 1941. The export value per ton fluctuated between 2,156 cruzeiros in January and 3,373 cruzeiros in March, the average being 2,818 cruzeiros for the whole year as against 1,902 cruzeiros in 1941.

The dollar value of imports increased from \$69 in 1941 to approximately \$80 in 1942, while the export value increased from \$101 to \$144.

Following are the average dollar prices of imports and exports for the past five years:—

*Brazilian Average Prices in Dollars Per Ton*

	Imports	Exports
1938 .....	60	75
1939 .....	55	73
1940 .....	58	81
1941 .....	69	101
1942 .....	80	144

CURRENCY VALUE OF INTERNATIONAL TRADE

Despite the sharp decrease in tonnage shown in Brazil's international trade, there was a slight reduction only in value—from 12,243,818,000 cruzeiros in 1941 to 12,139,872,000 cruzeiros in 1942. The dollar value was roughly \$619,089,000 as against \$640,600,000 in 1941, which represents also a slight decrease.

The import value in dollars declined from \$281,427,000 in 1941 to \$236,-844,000, while the export value increased somewhat—from \$359,215,000 to \$382,245,000.

### EXPORTS

Brazilian exports during 1942 amounted to 2,659,548 tons valued at 7,495,524,000 cruzeiros as compared with 3,535,537 tons and a value of 6,725,-646,000 cruzeiros in 1941.

Detailed data are not available for publication, but it may be reported that there was a reduction in exports of cottonseed oil, castor oil, cotton, coffee, manganese ore, and carnaúba wax. Exports of rice and cotton textiles showed the greatest increases in volume.

As regards value, increases were specially noted in the exports of rice, cotton textiles, crystal, cotton threads, hides, and, to a lesser extent, in those of rubber, and chilled and frozen meat. A decrease in value was recorded for raw cotton, cocoa beans, manganese ore, cottonseed oil, castor oil, carnaúba wax, and coffee.

### IMPORTS

Brazilian imports during 1942 amounted to 3,003,044 tons valued at 4,644,438,000 cruzeiros, a decline as compared with 1941, in which year 4,049,000 tons valued at 5,514,000,000 cruzeiros were imported.

With the exception of wheat and jute, all the principal import products showed reductions in volume as compared with 1941 figures. Import values of the principal items also decreased, with the exception of those for wheat, jute, and copper.

Reductions in volume were from 7 to 190 per cent, while declines in value varied from 1 to 140 per cent. Increases in tonnage were from 5 to 48 per cent, and in value from 9 to 57 per cent.

### NATIONS TRADING WITH BRAZIL

#### EXPORTS

The changes in Brazil's international trade brought about by the war continued in effect in 1942. Asiatic markets were almost completely lost, exports thereto amounting to less than 0.22 per cent of the total value of exports, 0.18 per cent going to Java.

Shipments to Africa showed a slight decrease in tonnage but increased considerably in value. Africa's purchases accounted for 3.5 per cent of the total value of exports, while in 1941 they made up slightly over 1 per cent. South Africa was the principal buyer, taking 3.3 per cent.

Shipments to European markets increased from less than 17 per cent of all exports in 1941 to 26 per cent in 1942. The increase in shipments to Great Britain, from 12 per cent in 1941 to 16 per cent, was the principal factor in this improvement. Spain and Sweden, buying from Brazil less than 1 per cent in 1941, increased their purchases to 4 and 3.5 per cent respectively.

Exports to North, Central and South American markets decreased in tonnage and increased greatly in value. However the percentage share of these countries, of the total value of exports declined from 75 in 1941 to 70 in 1942. Although the United States continued to be the leading purchaser of Brazil's products, its share of the total decreased from 57 per cent in 1941 to 46 per cent. Canada's purchases from Brazil also declined considerably—from 3.44 to 0.56 per cent. This decline was due almost entirely to the decrease in shipments of Brazilian cotton.



Brazil's trade with South American countries, however, improved greatly, the percentage share increasing from 14 in 1941 to 23 in 1942.

Exports to Argentina reached 13 per cent of total shipments as against 9 per cent in 1941. All other South American countries showed increases in their purchases from Brazil. Chile's share increased from less than 1 per cent to 2.5 per cent; Uruguay's from 1.5 per cent to 3 per cent, Colombia's from 1 per cent to 1.5 per cent, and Venezuela's from less than 1 per cent to 1 per cent.

#### IMPORTS

Of imports into Brazil with a total value of over 4,000,000,000 cruzeiros, over 84 per cent were supplied by North, Central and South American countries. The United States accounted for the largest portion of Brazilian imports with 54 per cent of the total as against 60 per cent in 1941. Canadian sales to Brazil declined from 2.37 per cent of the total in 1941 to 1.33 per cent in 1942. Brazilian interest in Canadian goods is increasing, but lack of shipping space and short supply have contributed to the reduction in shipments from Canada.

Argentina increased her sales to Brazil considerably, the value amounting to 17 per cent of total Brazilian imports as against 11 per cent in 1941. Shipments of wheat were the principal factor in this increase.

Brazilian purchases from other South American countries also showed considerable increases, with the exception of those from Venezuela and Uruguay.

Shipments from Europe to Brazil were maintained at the same level as in 1941, being valued at slightly more than 13 per cent of that for all imports. This proportion was made up by 6 per cent, as in 1941, from Great Britain, approximately 3 per cent from Switzerland as against 2 per cent in 1941, 2.5 per cent from Sweden as against 2 per cent in 1941, 2 per cent from Portugal as in 1941, and 1 per cent from other countries.

Brazilian purchases from Africa were less than 1 per cent of the total, 2 per cent from Asia, and 1.5 per cent from the British West Indies.

#### TRADE WITH CANADA

Trade between Brazil and Canada, which had shown increases in 1940 and 1941, declined considerably in 1942—from 178,785 tons and a value of \$18,355,547 to 82,000 tons valued at \$5,302,776. This decrease resulted principally from lack of shipping space and the impossibility of Canada, due to local demands, being able to supply products and materials required by the Brazilian market. The decline in Canada's purchases from Brazil is also a consequence of the war, since, in order to make shipping space available for other Brazilian products necessary to the war effort of the United Nations, Canada reduced her cotton purchases from Brazil, obtaining the bulk of her supplies from the United States. However, while the level of trade between Brazil and Canada declined considerably, it is still better than it was before the outbreak of war. In 1938 this trade amounted to 40,503 tons valued at \$4,694,336, and in 1939 to 45,651 tons with a value of \$4,908,000.

Brazilian imports from Canada decreased heavily, owing to the above-mentioned factors—from 41,884 tons and a value of \$6,629,043 in 1941 to 15,601 tons valued at \$3,147,206 in 1942; exports from Brazil to Canada also declined—from 136,701 tons valued at \$11,726,504 in 1941 to 66,406 tons at a value of \$2,145,570.

Despite conditions, however, the total value of Brazilian exports to Canada in 1942 is still the highest since 1928 with the exception of 1940 and 1941, for which years abnormal movements were recorded.

### ARGENTINE GRAIN CROP ACREAGE, 1943-44

Mr. W. B. McCullough, Assistant Commercial Attaché at Buenos Aires, reports that the second official estimate of the grain crop acreage in Argentina for 1943-44 was announced by the Argentine Department of Agriculture on September 17. According to this estimate, the total area seeded to grains and cereals for the current crop year is 33,915,358 acres, an increase of 1.1 per cent over the figure for the previous year. The figures for the areas sown to wheat and flaxseed show reductions, while those for oats, barley, rye and birdseed show increases. The estimated acreages for the current season, with the percentage increase or decrease from last year, are: wheat, 16,761,420 acres (1.2 per cent); flaxseed, 5,992,220 acres (1.9 per cent); oats, 5,080,790 acres (6.9 per cent); barley, 1,709,240 acres (20.4 per cent); rye, 4,347,200 acres (1.3 per cent); birdseed, 124,488 acres (8.4 per cent).

Comparative figures of acreages in recent years are shown in the following table:—

#### *Argentine Crop Acreages*

	1943-44	1942-43	1941-42	1940-41	1939-40	10-Yr. Av
Wheat. . . . .	16,761,420	16,972,610	18,031,000	17,499,456	17,825,491	18,424,041
Flaxseed . . . . .	5,992,220	6,107,900	6,743,100	7,100,262	7,596,475	7,147,076
Oats . . . . .	5,080,790	4,753,784	4,517,280	3,941,132	3,444,758	3,713,361
Barley. . . . .	1,709,240	1,419,867	1,971,060	2,144,701	2,120,631	1,883,951
Rye . . . . .	4,347,200	4,289,814	2,660,190	3,325,608	2,294,753	2,672,636
Birdseed . . . . .	124,488	114,890	133,380	145,730	125,343	133,755

### ARGENTINE TOBACCO CROP, 1942-43

Mr. W. B. McCullough, Assistant Commercial Attaché at Buenos Aires, reports that the second official estimate of the 1942-43 tobacco crop was issued by the Argentine Department of Agriculture on September 8. According to this estimate, the production of tobacco in Argentina for the current season will be 14,917 metric tons as compared with 14,847 tons last year and the five-year average of 15,926 tons.

Corrientes is the most important tobacco producing province, with an estimated production of 6,850 tons, or about 46 per cent of the total, followed by Salta with 3,844 tons and Misiones with 3,313 tons.

Of the types of tobacco grown in Argentina, six "criollos" (native) types make up 12,184 tons, or 81 per cent of the total. The production of foreign types during the current season is estimated as follows: Kentucky, 722 tons; Virginia, 952 tons; Havana, 227 tons; Maryland, 182 tons; Burley, 44 tons; Bahia, 571 tons; Hungaro, 7 tons; oriental types, 8 tons; others, 20 tons.

The area planted to tobacco in 1942-43 was estimated at 44,460 acres as compared with 53,870 acres last year and the five-year average of 44,910 acres.

### TRADING WITH THE ENEMY

#### CANADIAN LIST OF SPECIFIED PERSONS

Inquiries received from time to time by the Department of Trade and Commerce indicate that Canadian exporters still do not understand clearly the composition and object of the Canadian List of Specified Persons established under the authority of the Consolidated Regulations Respecting Trading with the Enemy (1939).

The List of Specified Persons is a published list of firms and persons in neutral countries with whom intercourse or transactions of a commercial, financial, or any other nature without official permission constitutes the offence of trading with the enemy.



The List forms an integral part of the machinery designed to prevent enemy countries from obtaining any economic or financial assistance from British Empire or neutral countries. It consists principally of concerns controlled directly or indirectly from enemy territory (including enemy-occupied territory and certain other territories proscribed under the Trading with the Enemy Regulations), and of firms or individuals who have persistently evaded, or tried to evade, the contraband or enemy export controls. Persons controlled from enemy territory are enemies within the meaning of the Trading with the Enemy Regulations, whether or not they are included in the List of Specified Persons.

Additions to the List are made only after careful investigation in order that unnecessary damage to neutral or British Empire interests may be prevented. The Custodian of Enemy Property, Department of the Secretary of State, Ottawa, is always willing to consider representations from importers and exporters and other interested parties and to reply to inquiries on questions, such as the completion of unfinished transactions with persons placed on the List of Specified Persons. The Office of the Custodian is also prepared to advise, in cases where doubt is felt as to the legality or desirability, from the point of view of trading with the enemy, of dealings with persons not on the List of Specified Persons.

Enemy subjects who are not in enemy territory are not necessarily enemies within the meaning of the Trading with the Enemy Regulations, and it is not intended to specify persons in neutral countries as enemies merely because they are enemy subjects. Many subjects of enemy countries carry on business in neutral countries without assisting these countries, and in some cases are of assistance in the promotion of Canadian trade.

Nevertheless, enemy subjects, wherever they may be carrying on business, should be regarded with suspicion, and Canadian traders who employ enemy subjects as agents in neutral countries would be well advised to consider displacing them either by British agents or by nationals of the country concerned. Firms who experience difficulty in obtaining suitable alternative agents should consult the Department of Trade and Commerce, Ottawa, or the appropriate Canadian Government Trade Commissioners.

Copies of the Consolidated List of Specified Persons are obtainable from the Distribution Branch, Government Printing Bureau, Ottawa. The price is 25 cents each for single copies, with a reduction for purchases of 100 copies or more. The list contains the names of more than 9,000 persons, principally in Europe, Latin America, Japan and China. It is subject to revision from time to time, and additions, amendments and deletions which are found necessary are published in the *Canada Gazette*. Canadian firms that have extensive dealings with persons in neutral countries are strongly advised to obtain copies of the consolidated list and at the same time to arrange to receive revisions as published.

## CONTROL OF EXPORTS FROM CANADA

### ADDITIONS TO LIST OF PRODUCTS AFFECTED

By Order in Council P.C. 7573, effective October 6, 1943, malt syrup, malt syrup powder, and extract of malt, included in Group 1 (Agricultural and Vegetable Products), are added to the list of commodities the exportation of which is prohibited except under permit issued by the Export Permit Branch, Department of Trade and Commerce, Ottawa.

## TARIFF CHANGES AND TRADE REGULATIONS

### Canada-Chile

#### RATIFICATIONS OF TRADE AGREEMENT EXCHANGED

Instruments of ratification were exchanged in Ottawa on September 29, 1943, of the trade agreement between Canada and Chile signed at Santiago on September 10, 1941, and which has been in effect provisionally since October 15, 1941. The terms of the agreement provide that it comes definitively into force one month after the exchange of ratifications for a period of two years, after which the agreement is renewable automatically for periods of one year, subject to termination by either party on six months' notice. A summary of this agreement was published in *Commercial Intelligence Journal* No. 1967 (October 11, 1941), page 436.

### Union of South Africa

#### IMPORT PERMITS AND CERTIFICATES OF ESSENTIALITY

The Director-General of Supplies for the Union of South Africa issued a notice in the Government *Gazette* of August 13, 1943, respecting permits and certificates of essentiality required for the importation of goods into the Union and the Mandated Territory of South West Africa. The notice gave the following information:

1. An Import Permit and a Certificate of Essentiality will not be issued in respect of goods intended for the purpose of business, trade or sale unless the applicant was, during the period between September 15, 1941, and January 31, 1943, a regular importer of goods of a similar kind, or has since then acquired the business interests of such an importer, provided that this condition may be relaxed in special or exceptional circumstances on recommendation by the Board of Supply.

2. Where a permit to import goods is required, it must be obtained before the goods are ordered or despatched from the country of export, and an Import Permit will not be issued in respect of goods which, at the time the application for a permit is made, have already been despatched from the country of export, provided that this condition may be relaxed in special or exceptional circumstances on recommendation by the Board of Supply.

3. An applicant for an Import Permit or a Certificate of Essentiality, who desires to bring any matter before the Board of Supply in terms of the proviso to Clauses 1 or 2, may submit a written request to the Secretary of the Board of Supply, P.O. Box 8623, Johannesburg, for relaxation of a condition in this notice for the issue of a permit or certificate, and must state clearly and succinctly the grounds on which the application for relaxation of the condition is made.

4. An Import Permit and a Certificate of Essentiality issued on and after September 1, 1943, shall (a) bear an indication, under the heading "Shipping Term", of the quarter year during which shipment of the goods specified in the permit and certificate is required; (b) be valid for a period limited to six calendar months, calculated from the end of the quarter year indicated thereon; and (c) be subject to revocation by the Issuing Officer at any time without notice.

5. The period of validity of an Import Permit and a Certificate of Essentiality may be extended by the Issuing Officer on written application made to him during the currency of the permit or certificate by the person in whose favour it has been issued.

*Note.*—Certificates of Essentiality and Import Permits issued on and after September 1, 1943, will bear an indication of the quarter in which shipment of the goods covered by them is required. For example, "Shipping Term 4/43" will indicate the fourth quarter of 1943; "Shipping Term 1/44", the first quarter of 1944, and so on. A certificate of Essentiality or an Import Permit issued, say, during November, 1943, for the first quarter of 1944 will be valid until September 30, 1944.



Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING OCT. 4, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, October 4, 1943, and for the week ending Monday, September 27, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Sept. 27	Nominal Quotations in Montreal Week ending Oct. 4	Official Bank Rate
Great Britain. . . . . Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. . . . . Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico . . . . . Peso	.4985	.2284	.2284	4
Jamaica . . . . . Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. . . . . Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2777	.2777	—
Brazil. . . . . Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana . . . . . Dollar	1.0138	.9313	.9313	—
Chile . . . . . Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. . . . . Peso	.9733	.6358	.6358	4
Venezuela . . . . . Bolivar	.1930	.3330	.3330	—
Uruguay. . . . . Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5879	.5879	—
South Africa. . . . . Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India . . . . . Rupee	.3650	.3359	.3359	3
Australia . . . . . Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. . . . . Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

## CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

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Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

### GENERAL

**Annual Report of the Department of Trade and Commerce.**—A summary of the activities of each of its Branches, including the Foreign Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

**Annual Report of the Board of Grain Commissioners.**—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

**Annual Report of Electricity and Gas Inspection Services.**—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

**Annual Report of Dominion Grain Research Laboratory.**—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

**List of Grain Elevators.**—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

### PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

**Commercial Intelligence Journal.**—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

### PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics:—

**Census of Canada.**

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

Canada, 1943. (Price 25 cents.)

Canada Year Book. (Price \$1.50.)

Trade (Internal), prices, cost of living, etc. (Price \$1 per annum.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

News Bulletin, Daily (Price \$1.50 per annum). Weekly (Price \$1.00 per annum.)



# COMMERCIAL INTELLIGENCE SERVICE

**C. M. CROFT, Director**

## Argentina

**J. A. STRONG**, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

**Melbourne:** FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

**Sydney:** K. F. NOBLE, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

## Brazil

**L. S. GLASS**, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metr  pole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

## British India

**PAUL SYKES**. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British West Indies

**Trinidad:** G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, British Guiana, and Dutch Guiana.) *Cable address, Canadian.*

**Jamaica:** F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## Chile

**M. J. VECHSLER**, Commercial Attach  . Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building (Territory includes Bolivia.) *Cable address, Canadian.*

## Colombia

**M. T. STEWART**, Acting Trade Commissioner. Address for letters—c/o Royal Bank of Canada, Bogota. (Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

## Cuba

**J. L. MUTTER**. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

**RICHARD GREW**. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr et Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

## Ireland

**E. L. McCOLL**, 66 Upper O'Connell Street, Dublin (*Cable address, Canadian*); and 36 Victoria Square, Belfast.

## Mexico

**C. S. BISSETT**. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

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**Newfoundland**

R. P. BOWER, Acting Trade Commissioner, Circular Road, St. John's. *Cable address Canadian.*

**New Zealand**

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

**Peru**

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

**South Africa**

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

**United Kingdom**

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes the South of England and East Anglia). *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes the Midlands, North of England, and Wales.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

**United States**

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Legation.

New York City: D. S. COLE, Senior Trade Commissioner in the United States, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: Acting Trade Commissioner, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**



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## MODIFICATION OF DECENTRALIZATION PLAN FOR EXPORTS TO LATIN AMERICAN REPUBLICS

Effective October 1, 1943, the application of the Decentralization Plan has been modified for the following Latin American republics in accordance with agreements made by United States and Canadian export authorities:—

Brazil	Dominican Republic	Haiti	Paraguay
Chile	Ecuador	Honduras	Peru
Colombia	El Salvador	Nicaragua	Uruguay
Costa Rica	Guatemala	Panama	Venezuela

Export procedure covering Canadian shipments to Latin American republics, as outlined in *Commercial Intelligence Journal* No. 2051 (May 22, 1943), has been relaxed, due to the improvement in shipping conditions. While export permits will still be required for all shipments over \$5 in value (with the exception of newsprint) destined for Latin American republics, import recommendations (referred to as export recommendations in Mexico and preference requests in Brazil) will no longer be required to accompany export permit applications for a large number of commodities in free supply, although they will still be required for shipments of a number of strategic materials and goods in short supply, a list of which will shortly be prepared by the Export Permit Branch, Department of Trade and Commerce, Ottawa. Exporters are advised to ascertain from the Export Permit Branch whether the commodity which they wish to export is on this list. If so, an import recommendation from the Country Agency in the country of import will be required. Import recommendations will not be required for shipments under \$25 in value. Another change to be

noted is that after October 1 no shipping priority rating will be assigned to export permits.

The attention of exporters is directed to the fact that certificates of necessity must still accompany all applications for permits to export any commodity (with the exception of newsprint) to Argentina.

It is also to be noted that none of the above changes will in any way affect procedure in securing ocean freight space for shipments of 2,240 pounds or over. Exporters will continue to submit applications for freight space to the Shipping Priorities Committee, West Block, Ottawa, for such shipments. With regard to shipments under 2,240 pounds in weight, freight space applications will not be required, and shipments may be booked directly with the steamship company. It is not permissible, however, for an exporter to split his shipments into less than 2,240-pound lots for the purpose of arranging direct booking with a steamship company instead of filing a freight space application with the Shipping Priorities Committee. It should be noted that it will still be necessary to file freight space applications for all shipments covered by United States special project licences, regardless of the weights of the shipments. Similarly all shipments to Argentina will require a freight space application, regardless of their weights.

Cuba and Mexico continue under the plan as announced in *Commercial Intelligence Journal* No. 2061 (July 31, 1943).

## TRADE OF BRITISH GUIANA IN 1942

J. L. MUTTER, CANADIAN TRADE COMMISSIONER

### I. Distribution of Trade

Port of Spain, September 25, 1943.—The production of sugar and rice, the two leading agricultural products of British Guiana, showed substantial improvement over the 1941 returns. Lack of shipping continued to restrict the movement of sugar, of which 192,000 tons were produced during the year, and exports of all kinds totalled only 134,530 tons as compared with 154,361 tons in 1941. Exports of both rum and molasses were also less than in 1941, the former by some 400,000 proof gallons and the latter by nearly 2,500,000 gallons. Exports of rice, however, which can be moved in small vessels to the contiguous territories of the British West Indies, showed a marked improvement, amounting to approximately 25,000 tons, or nearly three times as much as in the previous year. For security reasons, no information can be given regarding the traffic in bauxite, the colony's principal war export.

Imports into British Guiana in 1942, valued at \$18,363,615, were nearly a million dollars greater than for 1941, the increase being spread fairly generally over the principal classifications: manufactured goods, foodstuffs, and raw or semi-manufactured materials. The direction of import trade showed little change as compared with 1941. Imports from non-Empire countries other than the United States were negligible and were mainly from such sources of supply as Argentina, Brazil, and Dutch Guiana. Canada continued to be the colony's principal source of supply, being credited with slightly more than 35 per cent of total imports (38 per cent in 1941). The United Kingdom's share fell from 23.4 to 17.6 per cent, while that of the United States rose sharply from 21.3 to 31.6 per cent.

### FOREIGN TRADE

The overseas trade of British Guiana, in terms of domestic exports and imports for consumption, was valued at \$37,466,450 in 1942, an increase of \$722,419 over the previous year's value of \$36,744,031. Imports, valued at



\$18,363,165, recorded an increase of \$928,353 over the previous year's figure of \$17,434,812, while exports, valued at \$19,103,285, were \$205,934 less than the 1941 figure of \$19,309,219.

### EXPORTS

The principal agricultural and forest products exported from British Guiana in 1942 to principal destinations, with comparative total figures for 1941 shown within parentheses, were as follows:—

*Sugar, all Kinds.*—Total, 134,530 tons, \$7,288,665 (154,361 tons, \$8,253,921).

*Sugar, Unrefined, Dark Crystals.*—Total, 134,309 tons, \$7,275,442 (151,733 tons, \$8,097,128): United Kingdom, 91,527 tons, \$4,970,084; Canada, 24,821 tons, \$1,332,997; Spain, 17,957 tons, \$972,016.

*Sugar, Yellow Crystals.*—Total, 220 tons, \$13,233 (2,596 tons, \$155,753): all to the United Kingdom.

*Overproof Rum.*—Total, 913,065 proof gallons, \$528,308 (1,320,736 proof gallons, \$751,052): United Kingdom, 628,060 proof gallons, \$358,727; Canada, 235,289 proof gallons, \$142,274.

*Molasses.*—Total, 3,096,605 gallons, \$213,700 (5,440,746 gallons, \$308,269): United Kingdom, 3,094,325 gallons, \$213,318.

*Rice.*—Total, 50,354,161 lb., \$1,828,650 (19,852,982 lb., \$583,902): British West Indies, 50,283,572 lb., \$1,826,143; Bermuda, 57,125 lb., \$2,054.

*Charcoal.*—Total, 2,128 tons, \$51,353 (3,697 tons, \$67,020): British West Indies, 2,122 tons, \$51,209.

*Balata.*—Total, 762,480 lb., \$444,925 (659,190 lb., \$322,607): United Kingdom, 761,924 lb., \$444,556.

*Greenheart, Hewn.*—Total, 7,189 cu. ft., \$5,523 (183,865 cu. ft., \$115,806): all to the British West Indies.

*Greenheart, Sawn.*—Total, 79,245 cu. ft., \$86,123 (103,731 cu. ft., \$103,592): British West Indies, 44,003 cu. ft., \$43,797; United States, 21,782 cu. ft., \$25,751.

*Matches.*—Total, \$17,556 (\$43,957): British West Indies, \$16,610.

### RE-EXPORTS

A limited re-export trade is carried on by coastal services, and occasionally by deep-sea vessels, with the adjoining territory of Dutch Guiana. This trade in 1942 amounted in value to \$45,635 as compared with \$103,086 in 1941 and \$111,157 in 1940.

Re-exports to British West Indian colonies were valued at \$98,594 as compared with \$119,735 in 1941. The total value of re-exports was \$176,849.

### TRANSHIPMENTS

Merchandise entered for transshipment, principally to Dutch Guiana, was valued at \$175,341 (\$510,172 in 1941). The principal items in this trade of interest to Canadian shippers were: mackerel and salmon, pickled, \$1,900; other kinds of pickled fish, \$3,785; smoked and dried fish, \$6,145; and cotton piece-goods, \$7,413.

### IMPORTS

The value of \$18,363,165 of imports for consumption in 1942 was \$928,353 more than the previous year's value of \$17,434,812. Raw and semi-manufactured materials, valued at \$1,453,036 as compared with \$828,744 in 1941, mainly accounted for the increase. Imports of foodstuffs were valued at \$4,826,050 (\$4,587,861 in 1941), and articles mainly or wholly manufactured had a value of \$11,897,449 (\$11,857,305 in 1941).

Raw materials showing large increases in import value were: sawn timber, \$265,827 (\$26,071 in 1941); timber, other kinds, \$475,069 (\$186,922); crude petroleum, \$375,273 (\$322,926).

There were decreases in imports of manurial lime, and oil other than crude petroleum.

In the foodstuffs group the principal increases were recorded for the following items: butter, \$309,991 (\$204,657); smoked or dried fish, \$380,652 (\$304,652); flour, \$1,361,656 (\$998,883); salted and pickled meats, \$450,539 (\$269,503); condensed milk, \$329,419 (\$234,103); leaf tobacco, \$183,177 (\$110,362).

There were decreases in imports of edible oils, fresh vegetables, whisky, biscuits, butter substitutes, and confectionery.

Manufactured products showing noteworthy increases in import value were: empty bags and sacks, not of paper, canvas or cotton, \$563,009 (\$253,895); cotton piece-goods, \$1,488,691 (\$1,003,605); and other cotton manufactures, \$232,807 (\$195,336).

Articles showing decreased import values were: undergarments, boots and shoes, hosiery, motor cars, cement, machinery, and metal manufactures.

#### DIRECTION OF IMPORT TRADE

The value of imports from foreign countries, other than the United States, totalled \$695,000, the principal suppliers in order of their importance being: Argentina, \$378,156; Brazil, \$160,676; and Dutch Guiana, \$62,139.

Imports from the United Kingdom decreased, as did those from Canada, although the Dominion retained its position as the colony's leading source of supply. Imports from the United States, however, advanced sharply.

The comparative positions of the three principal sources of supply for 1942 and 1941 were as follows:—

#### *Imports from Chief Sources of Supply*

	1942		1941	
	Value	Per Cent of Total	Value	Per Cent of Total
United Kingdom . . . . .	\$3,230,074	17.6	\$4,084,851	23.4
Canada . . . . .	6,481,911	35.3	6,627,102	38.0
United States . . . . .	5,799,702	31.6	3,724,770	21.3

#### IMPORTS FROM THE UNITED KINGDOM

The total value of imports from the United Kingdom in 1942 dropped by \$854,777 from the 1941 figure to \$3,230,074. There was a general reduction in imports of all items with the following exceptions, which showed increases as indicated: empty bags and sacks (not of cotton, paper, or canvas), \$46,594 (nil in 1941); beer, ale, stout, and porter, \$115,674 (\$79,570); coal and coke, \$93,464 (\$42,365); twine, \$14,831 (\$7,580); sugar-milling machinery, \$210,140 (\$180,705); manures, \$134,426 (\$2,167); artificial silk piece-goods, \$185,610 (\$180,665).

#### IMPORTS FROM THE UNITED STATES

Imports from the United States increased in value from \$3,724,770 in 1941 to \$5,799,702 in 1942, mainly accounted for by the following items: explosives, \$170,761 (\$83,331); cotton piece-goods, \$730,178 (\$117,680); electrical apparatus, \$119,850 (\$60,084); glass and glassware, \$44,067 (\$20,467); beans, peas, and lentils, \$46,818 (\$11,126); electrical machinery, \$99,974 (\$63,890); mining machinery, \$431,408 (350,127); metal manufactures, \$559,802 (\$459,229); lubricating oil, \$242,338 (\$149,566); paper and manufactures thereof, \$52,671 (\$18,593); toilet requisites, other than soap and spirits, \$73,986 (\$5,293); manufactures of silk and artificial silk, \$69,481 (\$11,210); unmanufactured tobacco in the leaf, \$114,645 (\$63,628).

#### IMPORTS FROM OTHER COUNTRIES

The following table shows the principal imports from other important supplying countries:



*Principal Imports from Other Countries*

	1942	1941
Argentina—		
Beef and pork, salted and pickled . . . . .	\$183,847	\$112,127
Butter . . . . .	34,012	9,099
Canned meats . . . . .	33,650	39,732
British India—		
Bags and sacks . . . . .	471,470	237,406
Beans, peas and lentils . . . . .	22,202	105,426
Tea . . . . .	21,177	29,906
British West Indies—		
Manurial lime . . . . .	61,810	70,918
Crude petroleum . . . . .	372,161	319,855
Refined oils . . . . .	247,704	225,454
Motor spirit . . . . .	215,834	189,824
Australia—		
Butter . . . . .	79,060	29,794
Dried fruits . . . . .	8,691	32,046
Newfoundland—		
Fish, smoked or dried . . . . .	75,042	56,907

**POSTAGE ON MAIL TO INDIA AND CEYLON**

PAUL SYKES, CANADIAN TRADE COMMISSIONER

Bombay, September 4, 1943.—The attention of Canadian firms is again directed to the desirability of ensuring that correct postage is affixed to all mail dispatched to India and Ceylon. Numerous instances have been noted recently of letters intended for dispatch by air mail that have carried insufficient postage and have come forward by surface mail, arriving many weeks after it was intended they should. The resulting delay has caused serious inconvenience to local firms, and in many cases the dispatcher has wasted a certain amount of money by stamping his letters in excess of the ordinary rate but below the air-mail rate.

Correct information regarding postal rates to India and Ceylon may be obtained from any post office in Canada or from the Post Office Department, Ottawa. For the information of firms corresponding with this territory, however, it may be said that letters dispatched by ordinary sea route, and which may be several weeks in transit, should carry 4 cents in stamps for the first ounce and 2 cents for each additional ounce. Letters dispatched by air mail should be superscribed "via Miami and West Africa" and should carry stamps to the value of \$1 for each half ounce. There is also available the airgraph service, which has been operating efficiently for some months past and is particularly valuable in the case of short letters or those that can be sent on several individual pages. The charge for this airgraph service is 15 cents to civilians and 6 cents to members of the armed forces.

**ECONOMIC CONDITIONS IN AUSTRALIA IN 1942**

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

**II. Agriculture: Live Stock, Wool, and Dairy Produce**

(£A1 equals approximately \$3.60 Canadian)

Generally speaking 1942 was a trying period for Australians engaged in primary industries. The difficulties they experienced as a direct result of the war were intensified by the threat of invasion by Japan. The main problem was to organize and maintain as large a defence force as possible and at the same time implement as rapidly as possible the huge munition program which had been planned early in the war. The combined effect of these two efforts was virtually to strip not only civilian industries but also agriculture of the

bulk of its remaining manpower. Australian agriculture was having difficulty in maintaining its efficiency prior to the declaration of war against Japan. Production was being severely handicapped by the inability to secure supplies, particularly fertilizers, at satisfactory prices or in sufficient quantities. After the Japanese occupation of certain islands in the Pacific, the position with respect to fertilizer supply became critical.

However, the position was quickly appreciated with respect to food supplies, and in March, 1942, the Minister for Supply announced the appointment of a Defence Food Controller. His task was to organize and control all supplies of foodstuffs for the defence forces, for export and for civilian consumption. It was also announced that extensive schemes for food production were under consideration. These included large-scale vegetable farming for canning and dehydration purposes and plans for food processing on a bigger scale than was ever attempted before in Australia. At this time it was becoming increasingly difficult to obtain foodstuffs in everyday demand; eggs were being withdrawn from cool storage. From one country town it was reported that no bran, pollard, potatoes or sugar were available at the local stores. There were reports of shortages of canned fruits and of some varieties of fresh fruits. Consumers in some places were being told that bacon was not available, that a scarcity of beef was imminent, and that all meat supplies were becoming alarmingly scarce.

In all parts of Australia it was being realized that if the country were to become a base from which the United Nations could attack Japan the shortages of supplies of foodstuffs belied the prevailing assumption of the past that Australia was a land of abundance and the source of a wide range of primary products. The situation called for a reorientation of opinion with respect to farm, market-garden, and orchard production.

By the end of April, 1942, it was realized that almost revolutionary changes had been forced on foodstuffs production and distribution in two years as a result of (a) the shrinkage in labour supply due to enlistments in the fighting forces or absorption in munition industries, (b) the commandeering of food supplies for the armed forces and later for the American forces stationed in the Commonwealth, (c) the dislocation of transport due to military requirements, and (d) gasoline rationing. Another factor affecting production, for example that of eggs, was the increasing shortage of bran and pollards, due to the decline in the production of flour brought about by the practical cessation of flour exports.

#### FOOD CONTROL COUNCIL ESTABLISHED

At the end of April the Commonwealth Government announced the establishment of an Australian Food Control Council. It was explained that the formation of the council was not due so much to a fear of a food shortage as to the urgent need for planned use of available food supplies and the necessity of providing for future requirements. The council was intended to co-ordinate the activities of the defence foodstuffs organizations with those of bodies that dealt with civilian production, distribution, and export. Shortly afterwards the Minister for Shipping suggested that it might be necessary to widen the control of foodstuffs and possibly to introduce rationing or even more restrictive measures. At one time tomatoes were controlled, while potatoes were even more rigidly regulated. The Minister pointed out that action to control, ration, or prohibit did not necessarily mean a famine in a particular product. It often meant that the distribution was unbalanced. The Australian Food Council was created to secure maximum production and the proper and most effective methods of distribution and to conserve supplies so that neither the fighting forces nor the civilian population would go short in time of crisis.

One of the first undertakings of the Food Council was to organize the movement of 32,000 head of cattle from the northwestern part of Western Australia, 12,000 head to the southwest portion of that state, and 20,000 head to Queensland.



Early in May, while the results of the operations of the Australian Food Council with respect to better distribution were fully recognized, there were widespread demands for Commonwealth-wide plans for increased food production. It was suggested that consideration be given the manpower difficulties of farmers as well as the question of supplies of fertilizers, while an expression was desired of government policy regarding the foodstuffs to be produced and the prices that would be paid farmers to ensure maximum production. During July these subjects were all duly considered, and subsequently announcements were made regarding many important aspects of the problem. The items selected included sugar, tea, rice, meat, salt, fertilizers, biscuits, pork and bacon, fresh and tinned milk, infant and invalid cereals, beef, mutton, lamb, barley and flour.

Consideration was also given to the desirability of constructing dehydrators, while decisions were made to establish national and state primary and secondary foodstuffs production quotas. Notwithstanding the comprehensive plans developed by the Australian Food Council, it was obvious that some time would elapse before the results of these studies could have any real effect on the food supplies of the Commonwealth. During the winter of 1942, that is from July to September, when agricultural production is normally at its lowest, there was general complaint regarding shortages, and fears were expressed concerning supplies of foodstuffs during the winter of 1943. The extent of the food shortage is indicated by a comparison of prices of vegetables for mid-winter 1942 and 1939:—

*Comparative Prices of Vegetables*

	1939			1942		
	s.	d.		s.	d.	
Carrots . . . . . doz.	1	6	to 2 0	4	0	to 4 6
Parsnips . . . . . doz.	1	9	to 2 6	4	0	to 4 6
Cabbage . . . . . doz.	1	0	to 3 0	9	0	to 10 0
Cauliflower . . . . . doz.	3	0	to 5 0	14	0	to 18 0
Peas . . . . . bag	6	0	to 16 0	14	0	to 32 0
Beans . . . . . lb.	0	4	to 0 7½	0	8	to 0 10
Lettuce . . . . . case	5	0	to 7 0	8	0	to 18 0

For many weeks potatoes were not obtainable in city markets, while the only onions available were small ones for pickling. The seriousness of the situation was always recognized by the federal and state government authorities and was being studied by experts of the agriculture and labour departments. Before the end of 1942 a federal Director General of Agriculture was appointed, to whom the campaign for increased production was entrusted. Notwithstanding the plans made earlier in 1942 to ensure adequate supplies of foodstuffs in 1943, it was decided to increase the production targets for such foodstuffs as navy beans, cabbages, carrots, tomatoes, onions, and peas for canning.

Late in 1942 the Commonwealth Government decided to set production goals for all the principal foodstuffs to implement the agricultural planning and controlling schemes. As stated by the Minister of War Organization of Industry, this would enable the manpower controlling authorities to balance the relative claims of various primary industries for the dwindling supplies of manpower, to facilitate the rationalization of the agricultural implement industries, while the state objectives, set subsequently, would enable state agricultural authorities, through regional committees, to study related problems of seasons, seasonal labour, and pasturage, including hay production.

The production goals set for 1942-43 included the following:—

*Meats, including Canned and Dehydrated.*—Beef and veal, 560,000 tons; mutton and lamb, 380,000 tons; pig meats, 100,000 tons.

*Dairy Products.*—Dried full cream milk, 15,000 tons (27,000,000 gals.); condensed milk, 35,000 tons (19,000,000 gals.); fresh whole milk, 170,000,000 gallons.

*Miscellaneous Products.*—Eggs, 75,000,000 dozen; sugar, 643,000 tons; rice, 55,000 tons; dried vine fruits, 92,000 tons; dried tree fruits, 10,500 tons; canned

fruits, 3,050,000 cases; potatoes, 500,000 tons; field peas, 10,000 tons; peanuts, for eating, 13,000 tons; peanuts, for oil, 10,800 tons; vegetable seeds, 3,400 tons.

### LIVE STOCK

While the effect of the war on foodstuffs production was more apparent with respect to fruits and vegetables, it is possible that live stock was most seriously affected. Early in 1942, with the possibility of invasion imminent, plans were evolved to transport as much of live stock as possible from the coast for dispersal to inland areas. A central control committee was created which determined when stock should be moved, although state committees arranged for implementing dispersal arrangements. On the state, or local, committees there were representatives of producers and practical stockmen. By the end of February it was decided that movement from the coastal areas would not be authorized except in cases of extreme urgency, on account of the necessity of maintaining food supplies for military and civilian needs. This was particularly true of cattle for meat and dairy purposes. At this time it was also decided to give consideration to the development of meat-processing plants, to the utilization of coastal stock as much as possible for slaughtering, and to providing for the removal of a percentage of stud and young stock—both cattle and pigs—as a nucleus for the re-establishment of the dairy and pig industries.

The increased demand for meat in the Middle East and in the United Kingdom, during 1941, coupled with a shortage of refrigerated shipping space, resulted in attention being directed to the possibility of canning meat. Early in 1942 the Commonwealth Government decided to take over direction of the Australian meat-canning industry to ensure that supplies would be available for the United Kingdom, the fighting services, and "iron rations" for Australia's civil population. It was proposed to increase the production of canned meat by 70,000 tons annually, and it was hoped also that the extension of this industry would provide an outlet for second- and third-grade mutton.

Although great progress was made in the canning of meat early in 1942, the increasing need for economy in the use of shipping space caused attention to be directed to the desirability of dehydrating meat for export. In August new control measures were introduced to increase supplies of mutton to meet the immediate requirements of a canning and dehydration program. The Minister of Commerce, in announcing the introduction of the new control, stated that, as the whole of the output was required for the services, it was necessary that dehydration plants should be worked at their fullest capacity. There is a record number of sheep in Australia and, as shearing was commencing, the "sheep from shears" would be more than adequate to meet requirements. The new regulations also provided for fixing prices for various types and grades of live stock intended for slaughter, to replace in part the plan which formerly controlled prices of carcasses for export.

The following table shows the fluctuations in total numbers of sheep, cattle and pigs in the Commonwealth in recent years:—

#### *Australian Live Stock*

	Sheep	Cattle	Pigs .
1938 . . . . .	111,057,832	12,861,781	1,155,591
1939 . . . . .	119,305,391	13,080,180	1,455,341
1940 . . . . .	122,693,601	13,255,841	1,797,821
1941 . . . . .	125,194,587	13,590,172	1,416,594

### WOOL

Production of wool in Australia since the outbreak of war has been maintained at record-breaking totals. The wool clip of recent years has varied as follows: 1937-38, 2,760,759 bales; 1938-39, 2,929,548; 1939-40, 3,661,344; 1940-41, 3,505,899; 1941-42, 3,577,831 bales.



The three wartime clips have been worth nearly £A186,000,000 to Australia, a record amount of revenue for the Commonwealth. On the outbreak of war in 1939 a contract was entered into whereby the British Government agreed to take over Australian wool at a flat-rate purchase price of 13·437d. per pound. In May, 1942, it was announced that the British Government had agreed to increase the price by 15 per cent to 15·45d. This should increase the returns to Australian wool growers by some £A9,000,000, and will tend to offset, in part at least, the higher costs of production which growers have had to pay in the past two seasons. Since 1939 production costs have advanced, while exceptionally dry seasons in some areas, and the higher costs owing to the necessity for supplying special feed and even extra transport for stock, have seriously affected earnings. Wool-growers feel that the recent advance in the contract price justifies their claim that consideration be given the advances in their costs brought about by increases authorized by the Commonwealth Government in commodity prices and wages.

One effect of the war has undoubtedly been the largely increased domestic consumption of wool. It is estimated that the production of woollen fabric in Australian mills has increased by 60 per cent since the outbreak of war and has doubled in the past ten years. To meet the demand for apparel, equipment, and blankets, etc. required by the fighting forces of Australia and the Allied Powers, mills have been obliged to work two and three shifts. Civilian needs had perforce to be neglected to the point where Australia was required to import fabrics from the United Kingdom.

#### DAIRY PRODUCTS

Surplus Australian farm produce, particularly butter and cheese, has generally been readily disposed of in the United Kingdom. The Australian industry, therefore, has been most sensitive to changes in conditions in the British market, and particularly since the outbreak of war the necessity for supplying dairy products to Britain has been more generally appreciated in the Commonwealth.

The declining volume of refrigerated shipping space, that could be made available to carry these products to the United Kingdom, and the better keeping qualities of cheese when freezing chambers were wanting, brought about a change in the United Kingdom preference as between butter and cheese. In the closing weeks of 1941, therefore, the Australian dairying industry was asked to increase the production of cheese. Some Australian factories had facilities for cheese-making only, some had cheese-making equipment that had been inoperative for years, while others had no cheese-making machinery of any kind. The Commonwealth Government, in an effort to meet the demand for more cheese, assisted by advancing funds on loan to producers, and arrangements were made to guarantee loans to dairies to the amount of £A180,000. These loans were to enable some dairies to purchase and instal cheese-making machinery, and to permit others already making cheese to expand their operations.

By mid-1942, despite the maintained demand from the United Kingdom for cheese, conditions in most parts of Australia where cheese could be made were such that production at the estimated or hoped-for rate could not be achieved. In fact a decided shortage was reported of both butter and cheese, which was so serious in the State of Victoria that the Commonwealth Dairy Produce Equalization Committee found it necessary to permit approved Victorian wholesale distributors to import dairy products from other states in order to alleviate the position. In Tasmania, one of the leading cheese-producing states, a shortage was "declared" in May.

Repeated appeals for increased cheese production did not meet with much success. Factory production for the nine months ending March, 1942, amounting to 532,876 tons, was an improvement of only 8·1 per cent on production for the same period of the previous year and was 10 per cent below the production in 1939-40. It might be mentioned that the exports of cheese during the same nine

months, ending March, 1942, amounted to 27,308,340 pounds as compared with 28,047,098 pounds in the preceding year.

After the middle of 1942, Great Britain indicated a preference for butter rather than cheese, but fortunately for Australian cheese manufacturers there was a satisfactory domestic market that could absorb their production. In addition there was a growing demand for canned cheese for the fighting forces in the Commonwealth.

As 1942 drew to a close, the increasing difficulties confronting the dairy industry were being more and more widely appreciated and understood. The Chairman of the Commonwealth Dairy Produce Equalization Committee announced that a survey of the industry showed that the level of production in July was probably more than 25 per cent below normal. He stated that this decline was due to four main factors: depletion of manpower, more remunerative returns in other industries, adverse seasonal conditions, and rationing of fertilizers, combined with difficulties in obtaining supplementary stock feeds at economic prices.

The manpower problem was still awaiting final solution as the year ended, and there was an increasing demand for higher prices for all classes of dairy products.

Comparative figures of production of butter in Australia since 1938-39 are as follows: 1938-39, 203,497 tons; 1939-40, 211,987 tons; 1940-41, 193,750 tons; 1941-42, 169,454 tons.

Corresponding figures for cheese are: 1938-39, 29,306 tons; 1939-40, 31,154 tons; 1940-41, 26,788 tons; 1941-42, 29,798 tons.

### EGGS

For many years Australia had been exporting eggs in the shell, largely to Great Britain. During the first two years of the war these exports were maintained as far as shipping facilities permitted. However, as shipping accommodation became scarce, there was a rapid change in the trade. The surplus egg production, which formerly was exported in the shell, was sent to dehydrators and despatched to the United Kingdom in the form of dried egg powder.

In order better to control this new industry of egg drying, an egg marketing board was set up in each of the principal egg-producing states: Queensland, New South Wales, Victoria, and South Australia. These states closely co-operate with the Commonwealth Government in the supervision of the egg industry and in the drying scheme for export. In some states, particularly South Australia, the poultry industry is almost entirely dependent on the returns from surplus production, whether sold overseas or inter-state. It was felt that, under wartime conditions, some form of control was imperative in order that the poultry industry should survive. Egg-drying plants have been established in many places, and the results achieved are reported to be very satisfactory. The capacity of the first plant built in South Australia was 550 cases (16,500 dozen) per day, working two shifts. When being prepared for shipment overseas, the dried egg powder is packed in 80-pound containers. For use by the fighting forces stationed in the Commonwealth the popular container holds about 7 pounds.

Statistics released for the nine months' period ending March, 1942, show the effect of egg processing on the exports. For the period indicated exports of eggs in the shell aggregated 6,256,027 dozen as compared with 17,597,104 dozen in the same period of the preceding year. This decline in exports would have been serious for the poultry industry but for the balancing effect of the heavy increase in exports of eggs in powdered form. Shipments of egg contents, mainly powdered, for the relevant period of 1941-42 were 4,430,468 pounds as compared with 181,440 pounds, mainly in pulp form, exported in the same period of 1940-41.

During 1942 the British Ministry of Food signified its willingness to accept Australia's total production of egg powder.



## POST-WAR OUTLOOK FOR BITUMINOUS COAL IN THE UNITED STATES

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

New York, October 6, 1943.—According to a survey of the bituminous coal industry in the United States, just released by the Director of the Bituminous Coal Institute, the post-war outlook is extremely encouraging. Continued high production and employment above pre-war levels are predicted.

Studies by the Chamber of Commerce of the United States indicate that after the war there will be an early consumer demand amounting to approximately 21 billion dollars for such things as automobiles, household appliances, furniture, homes and buildings, and home and farm improvements. As coal is the basic industrial fuel and the source of 49 per cent of the nation's mechanical energy, this buying movement will have a stimulating effect on the industry.

The Institute survey states that in some respects the coal industry is fortunate in that it needs no retooling of machines or rebuilding of plants to shift from war to peace production. As a result of the present work of the organic chemist and research engineer, the demand for coal is expected to show an upward trend over a period of years. In addition the depletion of oil and natural gas reserves is expected to result in the use of bituminous coal in new industrial heating installations.

Subjects under study by the industry include cooling of residences in summer by the same coal furnaces that heat them in winter; conversion of coal into gas without by-products; completely automatic household stokers taking coal from the bin and depositing the ashes in a container; coal-fired railroad locomotives, of radically new design, operating over longer distances without refueling; fluid coal, a suspension of finely pulverized coal that burns like gas in hot furnaces; commercial development of coal-burning "orange hot" alloy steel tubes for heat-treating furnaces; and experimentation with pulverized-coal-fired internal combustion engines and gas turbines for the production of power and the propulsion of locomotives and ships.

Production of tar acids, basic ingredient of the plastics industry, is also being developed by a process which, it is reported, will make the yield many times what it is to-day. The demand for industrial products that have bituminous coal as their base, in whole or in part, such as styrene for synthetic rubber, nylon and plastics, is also expected to have an important effect.

Increased post-war demands for gasoline for both automobiles and airplanes, and the commercial development of coal hydrogenation processes may, according to the survey, eventually create a huge new market for bituminous coal.

## ECONOMIC CONDITIONS IN BRAZIL IN 1942

The following sections were inadvertently omitted from Part II of the report on economic conditions in Brazil in 1942 by Mr. L. S. Glass, Canadian Commercial Attaché at Rio de Janeiro, which was published in *Commercial Intelligence Journal* No. 2070 (October 2, 1943):

### RUBBER

The unusually heavy demand for rubber for war purposes improved the Brazilian market substantially in 1942. The Export and Import Section of the Bank of Brazil was in charge of the control of rubber transactions. Prices were fixed at about 25 per cent above the average price prevailing during the second half of 1941, and the Brazilian Government signed an agreement with the United States by which the United States Rubber Reserve Company will buy at a fixed

price the Brazilian rubber production in excess of the quantities needed to meet domestic requirements. Special premiums are provided in this agreement for exports in excess of 5,000 and 10,000 tons.

The Rubber Credit Bank was organized, 40 per cent of its capital being supplied by the Brazilian Government. This bank is empowered to control the whole rubber market and to intervene in the production of rubber. It is expected that the measures enacted by the Government will prove beneficial to the Brazilian rubber trade.

### Cocoa

Conditions in the Brazilian cocoa market improved to a great extent during the crop year ending April 30, 1942. At the beginning of last year, this product was not considered essential to the war program, as a result of which the trade was adversely affected and there was a considerable falling-off in exports. Total shipments during the third quarter of 1942 decreased by 65 per cent as compared with exports during the corresponding period of the preceding year, and stocks on hand were estimated at more than double those in 1941.

However, an agreement concluded in October with the United States for the purchase of cocoa considerably assisted in improving the situation. By this agreement the United States will buy 58 per cent of Brazil's cocoa crop.

## RE-ENTERING SOUTH AMERICAN MARKETS

*From the British Export Gazette*

British interests trading in South America will be encouraged in their planning for post-war trade with that continent by the statement of the President of the Board of Trade in Parliament on 27th July that Britain did not intend to disinterest herself in Latin America. The Government, stated Mr. Dalton, attached a very great importance to preparing for the resumption of British export trade after the war was won. He had every reason to believe that the U.S. Government shared the view that the United Kingdom in the post-war period must participate in the expansion of trade in Latin America as well as elsewhere.

This statement of policy is welcome in view of the major importance of the South American markets for British goods in normal times. Government policy apart, there are equally important considerations in actual trading to which British merchants and exporters must give primary attention if a satisfactory portion of trade with South American markets is to be rehabilitated after the war. Considerable interest attaches in this connection to a report issued by the British Chamber of Commerce in Lima, Peru, in reply to a questionnaire formulated by the London Chamber of Commerce. Whilst the report relates primarily to Peru, the observations made can be taken as applying to the South American markets as a whole.

In pre-war days the chief lines of competition to British exports were stated to be hardware of all descriptions, including steel tubes, iron bars and rails, machinery, heavy machinery, cheap earthenware, motor buses, enamelware, biological and pharmaceutical products. Although competition came from U.S.A. and Japan (the latter especially for the cheap lines) the main competitor was Germany. Manufacturers there consigned stocks, and were supported by their Government in matters of finance and exchange and local agents were in a position to undercut the prices of almost any competition. Competition has been due to three factors, in the following order of importance:—lower prices; more extended terms of payment; a closer consideration of local requirements in quality, specifications and preferences. The Germans liberally met points 1 and 2, and were particularly attentive to point 3, their manufacturers, apparently, being very fully informed. There is no doubt that British products were



superior in quality to either German or Japanese lines, but the inferior standards offered were no obstacle to local buyers, who mostly do not seek the best material if it is to cost much more, and so the lower prices had a strong appeal.

Dealing with the question as to the extent and in what lines local manufactures in Peru replaced articles previously imported from Britain during the last ten pre-war years, it is stated that local manufactures have developed enormously. The cotton and woollen textile industries are outstanding, and they increase their volume and improve their quality all the time. They are likely to replace many articles previously imported, but there will always be some demand for high-quality suitings, poplins, and specialties. Other lines, whose local manufacture has developed to a marked degree, are: paints, soaps, perfumery, paper, boot and floor polishes, knitted goods, nails, glassware (some excellent cut-glass is now being produced), cement, asbestos-cement roofing and pipes, tiles, candles, lubricating oils, condensed milk, chocolates, biscuits, coal, vegetable lard, margarine, furniture, silverware, felt hats, rope-soled shoes, washing-blue, sulphuric acid, firebricks and fireclay, cotton-waste, gunpowder, wooden tool-handles, linseed oil, ochres, whitening and bedsteads. An enamelware factory is about to commence production. It is considered, however, that there will always exist some demand for the high grades and luxury types in these lines, which can be produced in Great Britain but have not yet been equalled locally. Whereas in the past local industries were largely built on British and North American capital, the tendency to-day is for new industries to be capitalized locally.

Due to present wartime conditions, new industries in Peru are not being established so rapidly as would be the case if it were possible to obtain the necessary machinery and a sure supply of some essential articles. Many new industries are contemplated for after the war, such as rope, twine, cotton thread, jute bags, hessians and linen. The Peruvian Government inclines to assist and create only those new industries whose major raw materials are obtainable out of national products. New industries of recent growth are:—cement-asbestos corrugated sheets and tubing, wire nails, paper and cardboard, rubber tires (a Goodyear Co. project not yet operating), and a high-grade cement. The Peruvian Government have now completed arrangements for the establishment of a coal and iron industry, whose site will be in the Chimbote Bay area. The plan coincides with the installation of a hydro-electric plant (potential about 100,000 kw.) some 140 kilometres inland from the Port. The contract for construction has been placed with the U.S.A. firm of H. A. Brassert and Co. It will take some three years to complete, and the costs are estimated at U.S.\$15,000,000 for the coal and iron project and U.S.\$6,000,000 for the hydro-electric project. This will be financed out of a U.S.\$25,000,000 loan to Peru by the Export-Import Bank of Washington.

With regard to the question as to whether a shortage of goods may be anticipated immediately after the war, the Chamber states that, at the present time, there is a general shortage of all imported goods (excepting certain lines of heavy chemicals, which are fairly well provided) and, as the degree of scarcity is progressive, it will become more acute the longer the war lasts. Specifically, there is likely to be a notable shortage of the following: all types of electrical equipment (especially all kinds of cables); sanitary ware; fine earthenware and glassware; enamelware; tools of all kinds; ironware of all descriptions, especially corrugated and plain iron sheeting; tinplate; lumber; machinery of all kinds (industrial and agricultural); oilwell supplies (casings, galvanized tubes, drilling cables and drilling machinery); trucks, motor cars and spare parts; steel rails of all kinds; raw materials for most local industries; telephone equipment; pen nibs; newsprint and fine paper; metal caps for bottles; rubber tires, hoses, insertion packing and rubber articles of all types; construction material of all kinds. It is obvious that Peru, like most other parts of the world, will encounter a

great shortage of all manufactured articles which are built on a basis of steel, copper or rubber. There may be a good market for the new plastics. The Chamber adds that, with regard to motor cars and trucks, the vast extension of the well-constructed roads built in connection with the Pan-American highway scheme may make possible the use of British light cars over most of the coastal zone. However, it is a fact that, so far, the relatively low-priced and high-powered American cars (such as Ford, Plymouth and Chevrolet) have taken most of the market. British cars would require to be roomy, fast, have plenty of luggage capacity, and be comfortable for long journeys. They would have to be powerful. In Peru, cars are not taxed on horsepower rating, and petrol is cheap. British manufacturers would do well to consider special specifications for meeting competition in the South American markets.

In the event of new goods being unavailable in the immediate post-war period, it is thought that there may be a sale for reconditioned goods, but it is necessary to know something of the type of goods offered, as all will not have equal appeal. Importing secondhand machinery, for instance, has never been favoured in Peru as it is felt that the operation is far too speculative unless there exists a very reliable source of examination of the reconditioned goods prior to sale at the exporting end. Hitherto no first-class firm of importers has been willing to sell reconditioned goods merely on description. Another factor which affects the new used ratio of costs is that, in all probability, freight rates for either class will be the same, and import duties at present are the same, excepting those charges, mostly supplemental, which are based "ad valorem," and which are not major charges. However, the prompt availability of urgently required goods will be a very strong attraction, if the importer can feel confident of their reliability when received.

Finally, the most important suggestions made by the Chamber are in respect to the main directions in which co-operation could be given by British manufacturers in order to secure increased sales. These suggestions, which should be carefully studied by all exporters to South America and not only to Peru, are as follows: (1) Exporters must send out highly efficient travelling representatives, who can speak sufficient Spanish, and are fully acquainted with the goods whose sale they are expecting to stimulate; (2) Manufacturers must supply comprehensive and detailed, catalogues and advertising matter in the Spanish language. There has been a serious deficiency in this department in the past. In the case of machinery, all specifications and erection instructions should be published in Spanish. The Americans and Germans have always been very efficient and up-to-date in this matter; (3) There should be a closer study of, and far more attention given to, the particular requirements and preferences of the South American market. This should be done before the war ends, as if this matter is left until afterwards, Great Britain will restart with its old handicap. The competition has always been very active and shown much imagination and initiative in this department; (4) Principals should keep in much closer touch with their local agents, and be fully informed of competitors' activities, new trends, likes, dislikes and complaints; (5) The local agent should be frequently checked up by visits from responsible representatives from home; people who know the trade, understand the requirements of the South American market, and speak the language; (6) A far more aggressive selling policy, with generous allowances for advertising and propaganda, should be the rule instead of the exception as heretofore; (7) Goods difficult to sell or introduce might best be given to the smaller type of agent, who has more incentive to push them than a large firm handling many lines; (8) Commissions must make the selling interest attractive; otherwise, it is to be expected that an agent will give preference to competitive representations which pay the more generous rates; (9) The use of the decimal system in English currency, weights and measurement would be of enormous value, and meet with complete approval from both agents and buyers;



(10) Credit terms must be, at least, in line with those offered by competitor countries. This is a matter to which the Government and banks may have to lend their special consideration; (11) Where machinery, motor cars and the like are concerned, arrangements should be made for the maintenance of sufficient quantities of spare parts on the spot; (12) Make all quotations "C.I.F. landing port Peru." From such a quotation the importer can make his calculation of final cost with a minimum of fluctuating factors.

In addition to the above outlined factors, there are interesting potential developments in regard to foreign exchange rates on the sterling area, which are fixed during wartime. This development relates to the considerable wartime growth of commerce between South America and the British Empire, notably with South Africa, India and Australia. The feature in both the River Plate and Brazilian freight markets is now the exceptional demand and high prices for vessels plying to South Africa, which now ranks prominently as an outlet for South American industrial output. During the first five months of 1943, the Union of South Africa jumped to third place (after the United Kingdom and the United States) as customers for Argentine products, with 54,000,000 pesos against 11,500,000 pesos in the like period of 1942. Peru's imports from British India increased substantially in 1942, whilst in addition to large cotton purchases by the British Ministry of Supply, New Zealand took 26,000,000 soles worth of Peruvian goods and Australia 20,000,000 soles, against nothing in 1941. Brazil's total exports to the Union of South Africa in 1942 brought in £3,300,000 sterling compared with only £250,000 in 1939. This trend continued during the first quarter of 1943, when Brazil's exports by value to South Africa represented 9.5 per cent of the total (against 3 per cent for the whole of 1942) and actually exceeded exports to Britain (6.5 per cent) during the quarter. South African demand is keen not only for Brazilian textiles, but also for coffee, rice, leather, glass, etc. The tendency shown by these figures, coupled with the fact that the United Kingdom is normally a large purchaser of South American products, might mean that the Empire sterling area could play in concert a larger bargaining group than could Britain alone in any post-war negotiations for the reciprocal restoration of international trade and the stabilization of exchanges.

## TRADING WITH THE ENEMY

### CANADIAN LIST OF SPECIFIED PERSONS

Inquiries received from time to time by the Department of Trade and Commerce indicate that Canadian exporters still do not understand clearly the composition and object of the Canadian List of Specified Persons established under the authority of the Consolidated Regulations Respecting Trading with the Enemy (1939).

The List of Specified Persons is a published list of firms and persons in neutral countries with whom intercourse or transactions of a commercial, financial, or any other nature without official permission constitutes the offence of trading with the enemy.

The List forms an integral part of the machinery designed to prevent enemy countries from obtaining any economic or financial assistance from British Empire or neutral countries. It consists principally of concerns controlled directly or indirectly from enemy territory (including enemy-occupied territory and certain other territories proscribed under the Trading with the Enemy Regulations), and of firms or individuals who have persistently evaded, or tried to evade, the contraband or enemy export controls. Persons controlled from enemy territory are enemies within the meaning of the Trading with the

Enemy Regulations, whether or not they are included in the List of Specified Persons.

Additions to the List are made only after careful investigation in order that unnecessary damage to neutral or British Empire interests may be prevented. The Custodian of Enemy Property, Department of the Secretary of State, Ottawa, is always willing to consider representations from importers and exporters and other interested parties and to reply to inquiries on questions, such as the completion of unfinished transactions with persons placed on the List of Specified Persons. The Office of the Custodian is also prepared to advise, in cases where doubt is felt as to the legality or desirability, from the point of view of trading with the enemy, of dealings with persons not on the List of Specified Persons.

Enemy subjects who are not in enemy territory are not necessarily enemies within the meaning of the Trading with the Enemy Regulations, and it is not intended to specify persons in neutral countries as enemies merely because they are enemy subjects. Many subjects of enemy countries carry on business in neutral countries without assisting these countries, and in some cases are of assistance in the promotion of Canadian trade.

Nevertheless, enemy subjects, wherever they may be carrying on business, should be regarded with suspicion, and Canadian traders who employ enemy subjects as agents in neutral countries would be well advised to consider displacing them either by British agents or by nationals of the country concerned. Firms who experience difficulty in obtaining suitable alternative agents should consult the Department of Trade and Commerce, Ottawa, or the appropriate Canadian Government Trade Commissioners.

Copies of the Consolidated List of Specified Persons are obtainable from the Distribution Branch, Government Printing Bureau, Ottawa. The price is 25 cents each for single copies, with a reduction for purchases of 100 copies or more. The list contains the names of more than 9,000 persons, principally in Europe, Latin America, Japan and China. It is subject to revision from time to time, and additions, amendments and deletions which are found necessary are published in the *Canada Gazette*. Canadian firms that have extensive dealings with persons in neutral countries are strongly advised to obtain copies of the consolidated list and at the same time to arrange to receive revisions as published.

## TARIFF CHANGES AND TRADE REGULATIONS

### Ecuador

#### VISÉ OF SHIPPING DOCUMENTS

Mr. H. M. Morrison, Consul of Ecuador at Vancouver, writes that he has been advised by the Consular Department of the Ecuadorean Ministry of Foreign Relations regarding visé of documents covering shipments from Canada to Ecuador: Canadian merchants and exporters may have the consular documents required for customs clearances, such as consular invoices, bills of lading, certificates of origin, viséd at the Consulate in New York or at other Ecuadorean Consulates at United States ports, since there is no objection to this procedure. But if merchants prefer it, they may have all those documents viséd at the Consulate at Vancouver. However, if Canadian manufacturers wish to present only the certificate of origin for visé to the Ecuadorean Consulate at Vancouver, they may do so with the assurance that Ecuadorean Consuls in the United States will attend to the visé of the other documents, such as consular invoices, bills of lading and other certifications.



Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING OCT. 12, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Tuesday, October 12, 1943, and for the week ending Monday, October 4, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Oct. 4	Nominal Quotations in Montreal Week ending Oct. 12	Official Bank Rate
Great Britain. . . . . Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. . . . . Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico . . . . . Peso	.4985	.2284	.2284	4
Jamaica . . . . . Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. . . . . Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2777	.2779	—
Brazil. . . . . Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana . . . . . Dollar	1.0138	.9313	.9313	—
Chile . . . . . Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. . . . . Peso	.9733	.6358	.6358	4
Venezuela . . . . . Bolivar	.1930	.3330	.3330	—
Uruguay. . . . . Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5879	.5879	—
South Africa. . . . . Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India . . . . . Rupee	.3650	.3359	.3359	3
Australia . . . . . Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. . . . . Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

## CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

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Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

### GENERAL

**Annual Report of the Department of Trade and Commerce.**—A summary of the activities of each of its Branches, including the Commercial Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

**Annual Report of the Board of Grain Commissioners.**—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

**Annual Report of Electricity and Gas Inspection Services.**—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

**Annual Report of Dominion Grain Research Laboratory.**—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

**List of Grain Elevators.**—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

### PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

**Commercial Intelligence Journal.**—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

### PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics:—

**Census of Canada.**

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

**Canada, 1943.** (Price 25 cents.)

**Canada Year Book.** (Price \$1.50.)

**Trade (Internal), prices, cost of living, etc.** (Price \$1 per annum.)

**Monthly Review of Business Statistics.** (Price \$1 per annum.)

**News Bulletin, Daily** (Price \$1.50 per annum). **Weekly** (Price \$1.00 per annum.)



# COMMERCIAL INTELLIGENCE SERVICE

**C. M. CROFT, Director**

## Argentina

**J. A. STRONG**, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

**Melbourne:** **FREDERICK PALMER**, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

**Sydney:** **K. F. NOBLE**, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

## Brazil

**L. S. GLASS**, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrópole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

## British India

**PAUL SYKES**. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British West Indies

**Trinidad:** **G. A. NEWMAN**. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, British Guiana, and Dutch Guiana.) *Cable address, Canadian.*

**Jamaica:** **F. W. FRASER**, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## Chile

**M. J. VECHSLER**, Commercial Attaché. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building (Territory includes Bolivia.) *Cable address, Canadian.*

## Colombia

**M. T. STEWART**, Acting Trade Commissioner. Address for letters—c/o Royal Bank of Canada, Bogota. (Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

## Cuba

**J. L. MUTTER**. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

**RICHARD GREW**. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr et Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

## Ireland

**E. L. MCCOLL**, 66 Upper O'Connell Street, Dublin (*Cable address, Canadian*); and 36 Victoria Square, Belfast.

## Mexico

**C. S. BISSETT**. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

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**CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con**

**Newfoundland**

R. P. BOWER, Acting Trade Commissioner, Circular Road, St. John's. *Cable address Canadian.*

**New Zealand**

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

**Peru**

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

**South Africa**

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

**United Kingdom**

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**



# Commercial Intelligence Journal

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## MR. STARK TO VISIT ECUADOR

Mr. W. G. Stark, Acting Canadian Trade Commissioner at Lima, Peru, will visit Ecuador about the middle of November in the interest of Canadian trade with that country.

Canadian exporters having agencies or contacts already established in Ecuador and who are desirous of maintaining their trading positions in the post-war period, as well as other firms who propose to enter that market, are invited to take advantage of Mr. Stark's services to obtain information on market conditions for their products in Ecuador. Communications should be forwarded by air mail to the Canadian Trade Commissioner, Casilla 1212, Lima, Peru.

## TRADE OF BRITISH GUIANA IN 1942

J. L. MUTTER, CANADIAN TRADE COMMISSIONER

### II. Imports from Canada

The total value of imports from Canada in 1942 amounted to \$6,481,911 as compared with \$6,627,102 in 1941 and \$3,274,028 in 1940.

Imports of foodstuffs rose from \$2,804,979 in 1941 to \$3,217,428, raw materials advanced from \$63,110 to \$96,468, while manufactured products declined from \$3,759,013 to \$3,167,415.

In the foodstuffs group the articles mainly accounting for the increase of \$412,449 were: butter, which advanced from \$108,796 in 1941 to \$128,444; smoked or dried fish, \$281,776 (\$224,447); wheat flour, \$1,361,656 (\$998,867);

oats, \$84,009 (\$47,093); beans, peas and lentils, \$87,963 (\$8,187); salted and pickled meats, \$190,443 (\$82,964 in 1941, \$38,770 in 1940); and condensed milk, \$314,338 (\$209,846).

Substantial decreases were recorded for the following: potatoes, \$49,537 (\$179,108); onions and garlic, \$13,991 (\$73,738); beer, ale and stout, \$20,446 (\$62,056).

The value of imports from Canada of manufactured products dropped from \$3,759,013 in 1941 to \$3,167,415 during the year under review.

Imports of boots and shoes were reduced from \$205,084 to \$137,603; motor cars, from \$80,543 to \$28,208; cement, from \$120,992 to \$52,006; electrical goods and apparatus, from \$125,752 to \$88,864; metals, from \$461,762 to \$409,358; and perfumery, cosmetics and toilet requisites, from \$48,635 to \$10,921.

By way of compensation, however, there were important increases in the values of imports of the following items: cotton piece-goods, \$321,226 (\$307,601); machinery, other than mining and electrical, \$309,212 (\$277,287); paints, \$92,878 (\$48,209); paper and paper manufactures, \$196,726 (\$167,413); manufactures of silk and artificial silk, \$136,090 (\$122,237).

Following are details of imports during 1942 of articles of particular interest to Canadian shippers, with comparative figures for 1941 shown within parentheses:—

#### FOODSTUFFS

*Beer, Ale, Stout and Porter (in bottle).*—Total 80,609 gal., \$136,057 (113,712 gal., \$141,629): United Kingdom, \$115,674; Canada, \$20,274 (\$61,706).

*Butter.*—Total, 777,305 lb., \$309,991 (583,443 lb., \$204,657): Canada, \$128,444 (\$108,796); Australia, \$79,060; Brazil, \$46,854; Argentina, \$34,012.

*Cheese.*—Total, 237,277 lb., \$87,560 (293,237 lb., \$71,280): Canada, \$55,516 (\$63,848); United States, \$24,538.

*Cocoa (Prepared).*—Total, 57,740 lb., \$17,274 (110,947 lb., \$25,054): United Kingdom, \$10,130; Canada, \$7,087 (\$6,453).

*Confectionery.*—Total 18,194 lb., \$5,939 (146,410 lb., \$47,719): United Kingdom, \$3,639; Canada, \$1,998 (\$12,813).

*Oilcake and Oilmeal.*—Total, 1,621,355 lb., \$47,173 (1,045,387 lb., \$24,033): United States, \$43,456; Canada, \$1,818 (\$13,066).

*Feed Grain.*—Total, 415,904 lb., \$18,926 (428,220 lb., \$14,149): Canada, \$18,155 (\$14,109).

*Fish (Canned).*—Total, 680,554 lb., \$144,004 (\$19,473 lb., \$154,705): Canada, \$139,357 (\$142,108).

*Mackerel and Salmon (Pickled).*—Total, 3,801 bbl., \$97,811 (7,788 bbl., \$99,724): Canada, \$90,868 (\$99,366).

*Fish, Smoked and Dried.*—Total, 19,091 cwt., \$361,680 (24,365 cwt., \$282,091): Canada, \$281,776 (\$224,442).

*Oats.*—Total, 2,480,764 lb., \$87,848 (2,113,900 lb., \$47,095): Canada, \$84,009 (\$47,095).

*Barley.*—Total, 296,580 lb., \$17,271 (305,884 lb., \$13,063): Canada, \$16,585 (\$13,055).

*Flour.*—Total, 191,002 bags (of 196 lb.), \$1,361,656 (185,617 bags, \$998,883): all from Canada (\$998,867).

*Cornmeal.*—Total, 2,965 bags (of 196 lb.), \$30,123 (2,377 bags, \$16,091): all from Canada.

*Other Farinaceous Preparations.*—Total, 517,209 lb., \$53,304 (698,322 lb., \$53,608): Canada, \$37,813 (\$25,100).

*Beans, Peas and Lentils.*—Total, 1,843,172 lbs., \$163,215: Canada, \$87,963; United States, \$46,818; British India, \$22,202.

*Lard and Lard Substitutes.*—Total, 310,838 lb., \$57,062 (561,879 lb., \$67,575): Canada, \$51,000 (\$67,575).

*Canned Meat.*—Total, 203,948 lb., \$72,291 (286,695 lb., \$64,537): Argentina, \$33,650; Uruguay, \$21,349; Canada, \$8,876 (\$13,334).

*Beef, Salted and Pickled.*—Total, 4,480 bbl. (of 200 lb.) \$190,305 (5,410 bbl., \$150,052): Argentina, \$142,279; Canada, \$27,210 (\$22,642).

*Pork, Salted and Pickled.*—Total, 8,030 bbl. (of 200 lb.), \$260,234 (5,422 bbl., \$119,451): Canada, \$163,233; United States, \$48,635.

*Milk, Condensed.*—Total, 1,823,060 lb., \$320,419 (1,630,006 lb., \$234,103): Canada, \$314,338 (\$209,511).



*Coconut Oil, Edible.*—Total, 9,304 gal., \$12,748 (183,376 gal., \$162,556): all from Canada (\$95,087).

*Provisions, Unenumerated.*—Total, \$133,632 (\$135,005): Canada, \$56,660 (\$57,141): United States, \$46,751; United Kingdom, \$28,381.

*Tobacco, Unmanufactured, in Leaf (25 to 38 Per Cent Moisture).*—Total, 155,591 lb., \$32,174: United States, \$18,500; Canada, \$13,674.

*Tobacco, Unmanufactured, in Leaf (less than 25 Per cent Moisture).*—Total, 459,169 lb., \$150,998 (331,593 lb., \$86,277): United States, \$96,140; Canada, \$54,858 (\$29,922).

*Potatoes, Fresh.*—Total, 1,582,956 lb., \$53,125 (7,189,732 lb., \$189,956): Canada, \$49,537 (\$179,108).

*Onions, Fresh.*—Total, 726,027 lb., \$49,365 (2,011,741 lb., \$119,040): Argentina, \$35,374; Canada, \$13,991 (\$73,738).

*Vegetables, Dried and Canned.*—Total, 317,079 lb., \$50,312 (218,129 lb., \$27,807): Canada, \$36,471 (\$17,300); Argentina, \$9,607.

#### RAW MATERIALS

*Sawn Timber (Other than Pitch Pine), Dressed.*—Total, 195,381 cu. ft., \$207,890: United States, \$164,687; Canada, \$43,203.

*Sawn Timber (Other than Pitch Pine), Undressed.*—Total, 24,436 cu. ft., \$30,835 (214,370 sup. ft., \$16,777): Canada, \$29,826 (\$16,588).

#### MANUFACTURED PRODUCTS

*Cotton Manufactures (except Apparel): Piece-goods.*—Total, 6,753,652 sq. yd., \$1,488,691 (5,883,713 sq. yd., \$768,948): United States, \$730,178; United Kingdom, \$373,837; Canada, \$321,226 (\$238,088).

*Cotton Manufactures (except Apparel): Other Kinds.*—Total, \$232,185 (\$234,657): United Kingdom, \$142,894; United States, \$57,546; Canada, \$23,364 (\$69,513).

*Artificial Silk Piece-goods.*—Total, 1,221,093 sq. yd., \$388,633 (1,172,731 sq. yd., \$346,811): United Kingdom, \$185,610; Canada, \$133,483 (\$118,363); United States, \$67,238.

*Cordage.*—Total, 117,473 lb., \$21,082 (413,609 lb., \$61,088): Canada, \$9,059 (\$35,219); United Kingdom, \$6,823.

*Twine.*—Total, 117,949 lb., \$45,800 (171,199 lb., \$44,480): Canada, \$25,888 (\$28,286); United Kingdom, \$14,831.

*Jute Bags and Sacks, Empty.*—Total, 194,438 doz., \$563,009: British India, \$471,470; United Kingdom, \$46,594; Canada, \$28,164.

*Apparel (under- and outer garments), except Hosiery.*—Total, \$94,917 (\$173,720): Canada, \$54,702 (\$71,164); United Kingdom, \$17,383.

*Hats, Caps, and Other Headgear.*—Total, 6,073 doz., \$45,389: United Kingdom, \$25,339; Canada, \$15,196.

*Underwear, Artificial Silk.*—Total, 2,984 doz., \$12,907: Canada, \$11,653.

*Leather Footwear.*—Total, 9,529 doz. pr., \$216,160 (11,254 doz. pr., \$238,763): Canada, \$132,989 (\$148,996); United Kingdom, \$82,190.

*Nails and Spikes, Other than Horseshoe Nails.*—Total, 5,743 cwt., \$39,565 (9,912 cwt., \$53,683): United States, \$26,722; Canada, \$12,593 (\$48,144).

*Bolts, Nuts, Washers and Chains.*—Total, 4,034 cwt., \$59,994 (2,898 cwt., \$32,961): United States, \$41,127; Canada, \$18,569 (\$25,788).

*Galvanized Iron and Steel in Bars, Rods, Sheets, etc.*—Total, 12,039 cwt., \$100,327 (12,977 cwt., \$97,318): Canada, \$62,176 (\$40,277); United States, \$37,863.

*Black Iron and Steel in Bars, Rods, Sheets, etc.*—Total, 15,408 cwt., \$84,241 (16,616 cwt., \$97,318): Canada, \$56,345 (\$55,783); United States, \$25,451.

*Railway and Tramway Materials.*—Total, 3,365 tons, \$336,879 (3,100 tons, \$267,596): United States, \$232,479; Canada, \$97,082 (\$33,406).

*Metal Furniture.*—Total, \$48,825 (\$91,158): Canada, \$22,483 (\$60,055); United States, \$15,027.

*Iron and Steel Manufactures, n.o.p.*—Total, \$236,029 (\$280,679): Canada, \$111,224 (\$121,652); United States, \$109,858.

*Hardware, Other than Furniture, Hollow-ware and Office Machinery.*—Total, \$80,517 (\$71,384): United States, \$49,772; Canada, \$15,591 (\$12,405); United Kingdom, \$15,077.

*Implements, Other than Agricultural.*—Total, \$78,841 (\$103,646): United States, \$53,926; United Kingdom, \$15,196; Canada, \$9,664 (\$14,083).

*Insulated Electric Wires and Cables.*—Total, \$42,193 (\$49,677): Canada, \$34,457 (\$44,237).

*Electrical Goods, Other than Radios, and Cooking and Heating Apparatus.*—Total, \$126,103 (\$117,590): United States, \$60,295; Canada, \$51,347 (\$61,864).

*Electrical Machinery.*—Total, 132 tons, \$155,452 (115 tons, \$126,559): United States, \$99,974; Canada, \$48,660 (\$37,090).

*Mining Machinery.*—Total, 564 tons, \$491,958 (1,201 tons, \$566,176): United States, \$431,408; Canada, \$57,955 (\$208,839).

*Typewriters.*—Total number, 308, \$20,860 (295, \$18,227): Canada, \$20,588 (\$16,225).

*Sewing-machines.*—Total number, 650, \$28,110 (3,127, \$131,833): Canada, \$25,687 (\$87,072).

*Machines, n.o.p.*—Total, 1,775 tons, \$967,191 (1,646 tons, \$984,091): United States, \$670,004; Canada, \$241,947 (\$164,904); United Kingdom, \$47,516.

*Sugar Machinery.*—Total, 586 tons, \$286,914 (497 tons, \$265,982): United Kingdom, \$210,140; United States, \$62,628; Canada, \$14,146 (\$15,679).

*Accessories and Appliances, n.o.p.*—Total, \$77,839 (\$137,354): United States, \$47,200; Canada, \$25,044 (\$73,361).

*Railway Vehicles and Locomotives.*—Total, \$537,291 (\$433,405): United States, \$260,820; Canada, \$60,173 (\$143,256).

*Motor Cars, Lorries and Vans.*—Total number, 25, \$31,275 (126, \$106,163): Canada, \$28,208 (\$80,543).

*Motor-car Parts.*—Total, \$33,611 (\$60,044): United States, \$13,425; Canada, \$10,236 (\$19,914).

*Rubber Tires and Tubes.*—Total, \$33,121 (\$67,903): Canada, \$17,151 (\$52,937); Brazil, \$10,710.

*Glass and Glassware, Bottles, etc.*—Total, \$87,799 (\$54,093): United States, \$44,067; United Kingdom, \$34,270; Canada, \$9,442 (\$11,603).

*Portland Cement.*—Total, 21,918 bbl., \$106,229 (44,292 bbl., \$200,729): United Kingdom, \$54,163; Canada, \$52,066 (\$120,892).

*Salt, Fine.*—Total, 3,313,821 lb., \$50,653: United Kingdom, \$25,153; United States, \$12,212; Canada, \$11,065.

*Medicines and Drugs, n.o.p.*—Total, \$253,594 (\$216,155): United Kingdom, \$107,625; United States, \$87,387; Canada, \$52,612 (\$59,208).

*Paints, Colours and Pigments.*—Total, 7,143 cwt., \$165,870 (8,756 cwt., \$136,678): Canada, \$92,878 (\$48,209); United Kingdom, \$57,565; United States, \$15,427.

*Lubricating Oil.*—Total, 3,589,131 lb., \$280,140 (2,810,653 lb., \$180,798): United States, \$242,338; Dutch West Indies, \$18,120; Canada, \$17,697 (\$15,763).

*Toilet Soap.*—Total, 196,370 lb., \$55,203 (155,658 lb., \$35,564): Canada, \$47,482 (\$13,644).

*Soap, Common.*—Total, 1,580,298 lb., \$161,420: Canada, \$99,434; United States, \$31,059; Argentina, \$30,673.

*Printing Paper.*—Total, \$72,151 (\$42,431): Canada, \$62,123 (\$27,980); Newfoundland, \$5,569; United States, \$4,262.

*Paper, Other than Printing.*—Total, \$286,253 (\$281,654): Canada, \$130,093 (\$136,033); United Kingdom, \$101,359; United States, \$47,914.

*Furniture, of Wood.*—Total, \$14,838: Canada, \$12,732

*Hard Haberdashery.*—Total, \$28,285 (\$26,910): Canada, \$11,550 (\$11,962); United States, \$11,059.

*Machinery, Belting, Boiler Packing, etc.*—Total, \$121,679 (\$68,035): Canada, \$69,175 (\$21,658); United Kingdom, \$45,217; United States, \$17,287.

*Sulphate of Ammonia, Nitrates of Lime, Potash and Soda, and Guano.*—Total, 6,040 tons, \$553,161 (3,315 tons, \$210,682): Canada, \$406,938 (\$203,253); United Kingdom, \$134,426.

*Perfumery, Cosmetics and Toilet Requisites, except Perfumed Spirits and Soap.*—Total, \$102,135 (\$92,997): United States, \$73,986; United Kingdom, \$16,834; Canada, \$10,921 (\$48,635).

*Articles, ordinarily Merchantable, bearing an Advertising Device.*—Total, \$36,275 (\$33,565): Canada, \$31,972 (\$29,141).

*Goods Manufactured wholly or in part, n.o.p.*—Total, \$239,678 (\$220,225): United States, \$88,274; Canada, \$79,078 (\$88,274); United Kingdom, \$67,600.



## OTHER IMPORTS FROM CANADA

Following are total values of imports of which supplies from Canada, shown within parentheses, were valued at less than \$10,000:—

Bran and pollard, \$3,468, (\$3,106); high-protein cattle food, \$426 (all from Canada); fresh apples, \$1,563 (\$1,560); canned fruit, other than pineapple, \$7,803 (\$7,489); jams and jellies, \$1,190 (all from Canada); fresh meat and poultry, \$1,857 (all from Canada); hams, \$57,966 (\$2,969); edible oils n.o.p., \$756 (all from Canada); pickles, sauces and condiments, \$3,517 (\$3,053); flavouring essences, \$6,790 (\$2,019); fresh vegetables n.o.p., \$4,215 (\$4,017); vinegar, \$892 (\$777); gums and resins n.o.p., \$3,036 (\$154); crude petroleum, \$21,233 (\$304); oils n.o.p., \$19,899 (\$9,590); greases and fats, \$49,444 (\$9,085); plants, seeds and bulbs, \$5,116 (\$509); sawn Douglas fir, undressed, \$272 (all from Canada); shooks, staves and headings, \$202,593 (\$3,043); ribbons, trimmings and tape, of cotton, \$622 (\$311); woollen piece-goods, \$156,361 (\$2,023); woollen manufactures n.o.p., \$1,955 (\$609); ribbons and trimmings of art silk, \$5,321 (\$986); art silk manufactures n.o.p., \$3,404 (\$1,621); jute manufactures, \$5,346 (\$594); linen and hemp manufactures, \$13,707 (\$1,552); worn clothing, \$3,944 (\$937); soft haberdashery, \$7,566 (\$2,555); cotton hosiery, \$4,033 (\$2,300); silk hosiery, \$732 (\$721); art silk hosiery, \$12,370 (\$7,811); cotton underwear, \$41,572 (\$7,621); rubber and rubber-soled canvas footwear, \$13,091 (\$4,614); barbed wire, \$23,680 (\$5,930); wire, other, \$21,720 (\$7,167); punt plates and cane carrier chains, \$13,395 (\$3,191); iron and steel domestic hollow-ware, \$21,639 (\$2,041); metal buckets, pails and tubs, \$1,077 (\$838); copper and manufactures thereof, \$9,586 (\$475); lead and manufactures thereof, \$4,565 (\$547); mercury, \$5,702 (\$4,153); tin and manufactures thereof, \$4,731 (\$1,616); other non-ferrous metals and white metal alloys, \$7,636 (\$2,657); cutlery, \$9,644 (\$1,403); films, other than cinematograph, \$12,777 (\$796); watches, \$1,730 (\$1,670); electric cooking and heating apparatus, \$2,766 (\$1,335); radios, \$52,909 (\$1,033); radio parts, \$8,122 (\$692); marine machinery, \$41,078 (\$6,171); business machines, other than typewriters, \$4,468 (\$852); ships and boats, \$7,133 (\$1,554); chinaware, porcelain and pottery, \$26,476 (\$870); glass and glassware, other than bottles, lamp chimneys and tableware, \$26,952 (\$7,153); stones, slates and tombstones, \$2,392 (all from Canada); acetic acid, 66 per cent strength and upwards, \$1,169 (\$1,137); calcium carbide, \$2,102 (\$1,873); insecticides, \$24,767 (\$7,098); chemicals, drugs and dyes n.o.p., \$151,831 (\$7,534); painters materials, other than paints and colours, \$9,660 (\$1,452); candles, other than tallow, \$4,685 (\$2,431); essential and perfumed oils, \$14,511 (\$2,901); spirits of turpentine, \$3,335 (\$1,711); varnish and polish, not containing spirits, \$5,407 (\$3,273); undressed leather, \$8,237 (\$3,225); dressed leather, \$5,497 (\$2,847); trunks, bags and valises, \$6,596 (\$5,382); leather manufactures n.o.p., \$4,815 (\$1,189); paper manufactures, ordinarily merchantable, bearing an advertising device, \$5,803 (\$3,643); rubber manufactures n.o.p., \$9,207 (\$6,932); wooden buckets, pails and tubs, \$7,321 (all from Canada); other wooden containers, \$61,643 (\$8,729); oilcloth, \$2,526 (\$607); perfumed spirits, including toilet preparations and dentifrices, \$6,237 (\$2,873); stationery, other than paper, \$53,627 (\$8,249); toys, games and sports goods, \$13,112 (\$2,353); umbrellas and parasols, \$8,152 (\$1,788).

## ECONOMIC CONDITIONS IN AUSTRALIA IN 1942

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

## III. Agriculture: Wheat, Flax, Fruit, Tobacco

## WHEAT

Towards the end of 1941 it was estimated that the 1941-42 Australian wheat crop would aggregate 160,000,000 bushels. Crop conditions were generally favourable during the growing season, and harvesting conditions early in 1942 were satisfactory except in South Australia and in Victoria, where "red rust" caused a slight reduction in the total.

The following table shows the acreage sown to wheat during the past two seasons in each of the Australian wheat-growing states and the crop harvested therefrom.

*Australian Wheat Crop*

	1941-42			1940-41		
	Area Acres	Production Bus.	Average Yield per Acre Bus.	Area Acres	Production Bus.	Average Yield per Acre Bus.
New South Wales . . . .	3,968,759	48,500,000	12.22	4,453,963	23,933,100	5.37
Victoria . . . . .	2,757,080	46,953,840	17.03	2,672,728	13,521,422	5.06
Queensland . . . . .	350,000	3,000,000	8.57	322,081	5,687,350	17.66
South Australia . . . . .	2,325,717	30,511,112	13.12	2,560,390	17,856,118	6.97
Western Australia . . . .	2,653,419	37,500,000	14.13	2,625,401	21,060,000	8.02
Tasmania . . . . .	6,414	145,191	17.92	8,038	140,375	17.46
Australian Capital Territory . . . . .	1,294	22,824	17.64	2,045	34,959	17.09
Totals . . . . .	12,062,683	166,632,967	13.81	12,644,646	82,233,324	6.50

NOTE.—Figures for Queensland and all totals for 1941-42 are subject to revision.

Early in 1942 it was announced by the chairman of the Australian Wheat Board that the unsold carryover from previous crops aggregated 18,500,000 bushels as compared with 25,000,000 at the same time in 1941. However, the 1941-42 crop was causing farmers considerable concern owing to the difficulty of obtaining sacks for their surplus wheat. A great deal of attention was therefore given to the possibility of increasing the capacity of the bulk-storage space, particularly because bagged wheat, when kept for any length of time, often becomes infested with weevils and mice.

Concurrent with the pressure on the authorities for increased storage space, marketing difficulties increased owing to the greater necessity for utilizing ocean-going shipping for war essentials. These growing difficulties, coupled with the likelihood that wheat storages in the Commonwealth would be filled to capacity at the end of the crop year, suggested the desirability of emergency measures to govern the 1942-43 crop. Early in 1942 the Minister for Commerce stated that wheat-growers, particularly those cultivating large acreages, might have to reduce the acreage sown to wheat, especially as it was principally the large land-owner who employed outside labour.

By March, 1942, it was apparent that the problem of storing the 1941-42 crop was presenting difficulty. The quantity of grain that had to remain in farmers' hands reached all-time records; in fact the situation became so serious that the Government considered the advisability of assuming control of the bulk-handling systems throughout the Commonwealth.

The first step taken to restrict wheat production was in March, when it was decided, owing to the heavy carryover in Western Australia, to cut the acreage sown to wheat in that state by one-third. Later, in April, it was announced that a licensing system would be introduced for the other states, based on the average sowings during a four-year period. It will be recalled that "temporary" certificates of registration for wheat farms had been issued in 1941, and these were kept in force for 1942.

Shortly after, a ruling was made which permitted the sale of wheat as stock and poultry feed, in the hope that an attractive offer of wheat for this purpose would accelerate consumption of the carryover.

In May, 1942, it was announced that the Government would introduce a new scheme of guaranteed payments for wheat to farmers. Basically the scheme provided for the payment of 4s. (72 cents) per bushel at country sidings on the first 3,000 bushels of each farmer's crop. The scheme also provided for the pooling of the residue of the wheat grown by farmers in excess of their first 3,000 bushels and for the distribution of the actual returns on the completion of sales of the pooled wheat. Later it was decided to pay a net advance of 2s. (36 cents) a bushel on the excess wheat placed in the pool. It was estimated that this scheme would ensure a good living for at least 80 per cent of Australia's 68,000 wheat-growers.



It was reported that the previous scheme had returned to most wheat-growers a price below the cost of production. It had provided for a payment of 3s. 10d. (69 cents) a bushel f.o.b. but, after deducting costs, many farmers only received 2s. 6d. (45 cents) a bushel. These schemes, furthermore, enabled the Commonwealth Government, as a signatory to the International Wheat Agreement, which limited exports to a quota, to continue to control the limitation of acreage sown to wheat, which was provided in the agreement.

For the purpose of directly controlling the acreage, the Commonwealth Government had instituted a licensing system in 1941 under which wheat-growers were required to register. For the 1942-43 season 8,883 fewer wheat farmers were licensed than in the previous year. The distribution of wheat farmers and the acreage licensed in each state of the Commonwealth in 1942-43 were as follows:—

*Licences and Acreages by States*

	Licences	Acres
New South Wales . . . . .	19,833	3,666,000
Victoria . . . . .	16,094	2,614,000
South Australia . . . . .	14,907	2,415,000
Western Australia . . . . .	8,223	1,841,000
Queensland . . . . .	2,984	430,000
Total (excluding Tasmania) . . . . .	62,041	10,966,000

The area licensed for the sowing of wheat in the Commonwealth for the 1942-43 season aggregated 10,973,543 acres as compared with 12,817,387 acres for the previous season, a decrease of 14.5 per cent. The greatest reduction was in Western Australia—869,000 acres. In New South Wales the decrease was 618,943 acres, and in Victoria 262,669 acres. The ten-year average for acreage sown to wheat was 13,359,000.

To encourage farmers to suspend the sowing of wheat in what are known as "marginal areas" the Government in 1938 instituted a plan under the Wheat Industries Assistance Act to grant financial compensation to those who put back into pasture part of their wheat land included in that category. By the middle of 1942 it was announced that £A607,000 had been approved for payment to such farmers in the third year of the scheme, which was expected to be completed in 1943. The funds were mainly derived from the "flour tax", but in 1942 the Government had decided to make available from "general revenue" the sum of £A107,000.

As the end of 1942 approached, the problems of harvesting began to engage the attention of those concerned. Manpower problems were serious, owing to the depletion of agricultural labour by enlistment in the forces or employment in essential munition industries. However, the most serious problem that those responsible for handling the wheat crop had to face arose from the fact that wheat was piled up all over the wheat-growing areas. Port storage bins were full, railway sidings in many places were still blocked with bagged wheat of the 1941-42 season, and wheat of the new 1942-43 crop was beginning to reach the railways for shipment to ports and to flour mills.

In Victoria alone, at the beginning of November, 1942, the equivalent of 5,400,000 bags of wheat was stacked at country sidings as compared with 152,000 bags at the same time in 1941 and 1,600,000 bags in 1940. Part of the difficulty was due to the diversion of rolling-stock for the transport of essential war equipment and supplies. In West Australia, on account of military requirements, the movement of wheat from the country to the seaboard did not exceed 7,965 tons per week, although a rate of 12,000 tons a week had been expected. The State Railways of Western Australia had planned a year before to move the 1941-42 crop at the rate of 22,000 tons a week, but the entry of Japan into the war required the diversion of rolling-stock to military purposes, and the rate was never achieved.

As the year ended the problem of storage in the southern states of the Commonwealth was seriously engaging the attention of the experts of the Wheat Board, and it appeared that the Western Australian method of bulk storage in low-cost galvanized iron and timber sheds would generally be adopted, not only to solve the storage problem but to reduce the demand for bags.

During 1942 the Grain Elevators Board of Victoria continued the construction of elevators in the country districts. Plans were made for the erection of eighteen such elevators, with a capacity of 1,814,000 bushels. Plans were also completed for the construction of a terminal elevator at the port of Williamstown, near Melbourne, with a capacity of 2,600,000 bushels. Construction was to begin as soon as material and equipment were available.

During 1942 a decision was reached to begin the manufacture of power alcohol from wheat. It was planned to construct four distilleries in New South Wales, Victoria, South Australia, and Western Australia; each would have a capacity of 3,000,000 gallons of power alcohol per annum. The site for the distillery for Victoria was selected in the centre of the heaviest wheat-growing area. The cost of this distillery was estimated at £A500,000, and it was designed to utilize 1,250,000 bushels of wheat annually. In addition to the production of 3,000,000 gallons of power alcohol, it was hoped that by-products suitable for live-stock feedstuffs, to a total of 12,000 tons annually, would assist a cattle, pig and poultry industry.

Towards the end of 1942 the usual concern was expressed regarding the condition of the 1942-43 crop, with hope for good harvesting weather. As usual the crop in the northern State of Queensland was the first to ripen, but heavy rainfalls, varying from 60 to 80 per cent above normal, were unfavourable for wheat harvesting. The rains were of the early monsoonal type, and in places ranged from two and a half to four inches during the month of October. Harvesting in Queensland was completed in November, with some rust damage reported. In December there were heavy rains in the wheat-growing areas of the state.

In New South Wales rains in October had the beneficial effect of filling the ears and providing a plump sample of grain. In some sections yields were light, while rust was widely reported from those areas that had heavy rains. However, harvesting conditions generally were most satisfactory, although the work was delayed in places. However, the delays were advantageous in some areas, and yields were reported to have exceeded expectations.

Growing conditions in Victoria were most favourable during the closing months of 1942. In December it was reported that labour and transport difficulties might delay harvesting, crop returns ranging from good to very heavy.

In South Australia, the wheat crop was variously affected by weather conditions. In October dry weather was reported from many areas, although crop prospects generally were favourable. Harvesting was as early as October in some districts and, as a result of continuing good weather during the harvesting period, there was practically no loss from disease, the grain generally being of excellent quality.

The 1942-43 crop in Western Australia promised to be excellent in the early stages of growth. During October, however, conditions deteriorated somewhat, and as they failed to improve as the year drew to a close, it was feared that the earlier rather optimistic expectations as to wheat yields would not materialize. It was also expected that labour shortages would interfere with harvesting, in fact from some areas reports were received to the effect that it might not be possible to harvest all the available crop.

#### FLAX

Since before the outbreak of war, efforts were being made privately to increase the production of flax for fibre in Australia. After the outbreak of



hostilities in 1939, the Commonwealth Government became actively interested, owing to the vital value of flax fibre in the production of parachute harness, fire hose, linen thread, and canvas cordage. The steps taken have met with success. In Victoria alone, where in 1940 there were 12,000 acres sown to flax, the 1941-42 area was increased to 15,000 acres. The total pre-war area sown to flax was only 2,000 acres.

The Australian crop for 1941-42 produced 65,392 tons of flax straw as compared with 16,764 tons in 1940-41 and, with the limited facilities available, fair progress was made before the end of 1942 to de-seed, ret and scutch the straw. It was expected that all the flax would be scutched by March, 1943.

The standard price for the straw from the 1941-42 harvest was fixed by the Minister of Supply and Shipping at £A5 15s. (\$20.70 Canadian) per ton plus a war loading payment of 10s. (\$1.80) per ton to cover increased costs involved in production. For that part of the 1940-41 crop that was good quality straw over thirty inches in length an additional bonus of 10s. (\$1.80) per ton had been paid. For the 1941-42 crop the bonus was extended to cover good straw of from between twenty-seven and thirty inches in length. Straw in this category could qualify for up to 5s. (90 cents) of the bonus offered.

At the end of 1942 it was estimated that the 1942-43 flax harvest would be worth more than £A500,000. It was also estimated that 57,000 acres had been sown to flax throughout Australia as compared with a total for the Commonwealth in 1941-42 of 55,000 acres. The standard price fixed for the 1942-43 crop was £A6 5s. (\$22.50) per ton. All flax must be sold to the Federal Government, which, through the Flax Production Committee and the assistance of state agriculture departments, controls and supervises production.

## FRUIT

### APPLES

With the possible exception of wheat, no Australian exportable commodity has been so seriously and so adversely affected by the war as fresh fruits, particularly apples and pears. These commodities were grown in great quantities, largely in Western Australia, Tasmania and Victoria. Growers specialized in export, largely to the United Kingdom. On the outbreak of war in 1939 it was realized that a serious condition would face the orchardists, and, to relieve their financial burdens as far as possible, an Apple and Pear Board was established.

The 1941-42 harvest was entirely disposed of by the Board. Without the support of the Apple and Pear Board, it is doubtful if many Tasmanian fruit-growers could have continued, especially those who for years had been concentrating on the United Kingdom market and, therefore, had been growing varieties of apples possessing good keeping and culinary qualities, that were not in large demand in the more populous markets of the mainland capital cities of Australia.

Towards the end of 1942, as the next crop was maturing for harvest, a survey was made of the statistical position, and it was estimated that in all apple-growing states except Tasmania and Western Australia there would likely be a very short crop. As there would be no surplus, there would be no necessity for an Apple and Pear Board to operate to ensure the retention of orchardists in production.

The Tasmanian 1942-43 crop was estimated to be 6,000,000 bushels. Local consumption in the state would only be a fraction of this quantity, with practically the entire crop available for export to the mainland. The Minister stated that in the three years of the operations of the Board the Commonwealth Government had expended well over £A2,000,000. In the first year the cost of operation was £A600,000; in the second year £A1,500,000. To assist in the orderly marketing of the 1942-43 crop, the Minister estimated that the total

cost to the Commonwealth Government would be much less, as crop estimates on the whole were much lower than usual.

The following table shows the production of apples and pears in Australia in recent years:—

*Australian Production of Apples and Pears*

	Apples Figures in 1,000	Pears Bushels
1937-38 .....	10,959	2,596
1938-39 .....	11,126	2,300
1939-40 .....	9,323	2,290
1940-41 .....	13,770	2,242
1941-42 .....	9,850	1,278

During 1942 increased attention was given in the apple-growing states to the desirability of processing apples by canning, evaporating or dehydrating. The demand for dried apples from the fighting services stationed in Australia increased greatly after the entry of Japan into the war. The State Committees of the Apple and Pear Board urged growers to bring in for processing any fruit that was not suitable for retail marketing as fresh fruit. For fruit of the 1941-42 crop suitable for evaporating the Board paid at a rate equivalent to 1s. (18 cents) per bushel, with an additional 4d. (6 cents) per case for assembling, plus the usual cartage rates based on the distance carted to driers.

Not only was greater interest displayed in the drying of apples during 1942, but an increase in the quantity of apples sent to canners was also reported. At the end of the year it was announced that the Commonwealth desired to increase the production of dried apples from 1,200 tons to 5,000 tons. None of this pack would be available to the civil population until the requirements of the fighting services had been met.

CANNED FRUIT

At the end of 1941, processors were holding important quantities of canned fruit from the preceding season. This fruit had been sold, but was awaiting shipping instructions from the British Ministry of Food. At the same time there were no clear indications that the British Ministry of Food was interested in purchasing from the 1942 season's pack. Tinplate supplies were critical, while difficulties were expected in obtaining field and factory labour.

Before the fruit for canning was picked, plans had largely been completed for handling the harvest and for processing. For example, a decision was made to divert a large volume of apricots, that ordinarily would have been canned, into pulp for shipment to the United Kingdom. This decision not only required the close support of the canners, but the sympathetic understanding of the Australian public.

Fruit crops were generally good, and peaches were comparatively free of such pests as the oriental moth. It was reported that about 42,000 tons of fresh fruit were used for canning, in addition to heavy tonnages utilized for pulp and jam manufacture. The production of processed apricots, peaches and pears in recent years was as follows:—

*Australian Production of Processed Fruit*

	Apricots Cases of 2 Dozen 30-Ounce Tins	Peaches	Pears
1939 .....	282,422	1,852,796	572,977
1940 .....	397,136	1,312,292	877,847
1941 .....	288,149	1,659,404	785,148
1942 .....	181,893	1,348,073	595,076

DRIED FRUITS

The production of dried currants, sultanas and lexias in Australia during 1942 amounted to 91,700 tons, a record surpassed only once before, in 1940.



Harvesting was carried out under very favourable weather conditions. It was feared that the available labour would not be sufficient to harvest the heavy crop, but volunteer pickers, male and female, recruited through such organizations as the National Fitness Council of Victoria and the Women's War Service Council of South Australia, rendered valuable assistance to growers.

The following table shows the production of dried fruits in the Commonwealth in recent years:—

*Australian Production of Dried Fruits*

	Currants	Sultanas Figures in Tons	Lexias	Total
1939 .....	24,107	41,383	7,436	72,926
1940 .....	24,798	62,035	8,739	95,572
1941 .....	16,923	52,031	10,779	79,733
1942 .....	21,030	61,951	8,719	91,700

TOBACCO

Shortly after the outbreak of war with Japan, the Minister of Trade and Customs announced that proposals were under consideration to bring about a substantial increase in the production of tobacco in Australia through increased cultivation of suitable leaf in the various states. The Minister stated that the absorption into industry of many thousands of persons who had been unemployed at the outbreak of war in 1939 had resulted in a heavy increase in the domestic consumption of tobacco and the growing of tobacco in Australia should be encouraged in order to provide a larger proportion of its Australian leaf.

At that time it was estimated that the annual consumption of tobacco in the Commonwealth was 26,000,000 pounds, while the average annual production was about 5,500,000 pounds. Under excise regulations, tobacco manufacturers were compelled to use a proportion of Australian leaf and, as a result, the use of domestic leaf had risen from 4,750,000 pounds to about 6,000,000 pounds.

As the year progressed the demand for tobacco increased but, owing to the necessity of maintaining supplies for the armed forces and on account of the restriction of shipping to essential commodities, it was decided to control the distribution of tobacco to the general public. A Tobacco Manufacturing Committee was appointed to advise the Minister concerning the total weight of tobacco products to be delivered each month to the trade.

By mid-1942, tobacco stocks had been considerably reduced, while no appreciable supplies were being imported, and it was announced that deliveries to the trade would be restricted. The basis for allotments was the average monthly purchase during the year ending September 30, 1940, reduced by 25 per cent.

The results of efforts to increase the production of tobacco in Australia were apparent shortly after June, 1942. It was then estimated that the Australian tobacco available for appraisalment would be about 6,500,000 pounds, an increase of 30 per cent over the quantity appraised in 1941. The members of the Australian Tobacco Board reported that the quality of the Queensland leaf was slightly better than in 1941. The 1942 Victorian crop was as good as if not better than in 1941. Reports from Western Australia indicated that the 1942 crop would again be very good and equal to that of the previous year.

Shortly after the estimates of the 1942 crop were released, the Minister of Commerce announced that a recommendation would be made to the federal cabinet to make Australia self-sufficient in tobacco supplies. The Minister estimated that within five years tobacco production in Australia could be increased to entirely meet domestic consumption and that the quality of Australian tobacco would be equal to that of the best imported Virginia leaf. In his recommendations he stressed the necessity for water conservation, price stabilization, and an adjustment in the manpower position in the industry.

## NEW ZEALAND WAR PENSIONS BILL

C. B. BIRKETT, ACTING TRADE COMMISSIONER

Auckland, September 6, 1943.—The increases in war pensions and allowances provided for in New Zealand's 1943-44 budget (see *Commercial Intelligence Journal* No. 2063: August 14, 1943) are given effect in a Bill recently passed.

This legislation is to replace existing Acts relating to war pensions with a scheme of general application, irrespective of whether the grounds for pensions had arisen in respect of past, present or future wars or in respect of service in the New Zealand forces in times of peace.

### TOTAL DISABLEMENT PENSION

The total disablement pension provided under the Bill for an ex-serviceman will be £3 a week; the current rate is £2. The economic pension is increased from 34s. 6d. a week to 35s. The allowance for a disabled man's wife remains as at present at £1, and that for each child is increased from 10s. to 10s. 6d. a week.

Under the new rates, unmarried and married ex-servicemen may receive pensions as follows, the current rates being shown within parentheses: unmarried man, £4 15s. a week (£3 14s. 6d.); man with wife, £5 15s. (£4 14s. 6d.); man, wife and one child, £6 5s. 6d. (£5 4s. 6d.); man, wife and two children, £6 16s. (£5 14s. 6d.).

For a soldier's widow without children the statutory pension is increased from 30s. a week to £2, and the economic pension from 17s. 3d. to 20s., making a total of £3 weekly as compared with the current rate of £2 7s. 3d. The total pension for a widow with two children is increased to £4 16s. weekly as follows: statutory pension, £2 10s.; pension for two children, £1 1s.; economic pension (if qualified), £1 5s.

### INCREASES IN PERCENTAGES

These rates apply to privates in the army and corresponding ranks or ratings in other services. Where pension rates payable under the existing legislation to commissioned ranks and their dependants are in excess of the new rates payable to those of non-commissioned rank and their dependants, no increases are provided.

The fourth schedule to the Bill sets out the percentages of full pension payable in respect of certain specific disabilities, and provides for a number of increases. For example, the percentage disability for the amputation of the right arm through the shoulder joint, which was formerly assessed at 85 per cent, has been increased to 100 per cent. The amputation of a leg through the hip joint, formerly assessed at 90 per cent, is now 100 per cent. Various other percentages have also been increased.

The maximum rate of clothing allowance payable to those ex-servicemen who have to wear artificial limbs or other artificial appliances has been increased from £8 to £16 a year, while the maximum allowance payable in respect of an attendant has been increased from £3 to £5 a week. The rate of pension for orphaned children has also been increased from 15s. to 20s. a week.

### QUESTION OF ATTRIBUTABILITY

The question of attributability is also dealt with in the Bill. It is stipulated that the onus of proving that the disability is associated with war service shall not be on the claimant, and the War Pensions Board and the War Pensions Appeal Board are to give claimants the full benefit of all presumptions in their favour.



The war veterans' allowance is increased from 30s. a week, plus 5 per cent bonus, to 32s. 6d. a week for the veteran himself, while the 5 per cent bonus previously payable in respect of wives and children has now been included in the allowance.

Pensions to members of the Emergency Reserve Corps have been increased in the same manner as war pensions to ex-servicemen.

Provision is made for increased pensions to be paid in cases of total blindness and also in cases where two or more serious disabilities have been incurred. Pensions can also be granted to widows of ex-servicemen who at the time of their deaths were in receipt of permanent pensions of not less than 70 per cent of full disablement.

Several other less important improvements and alterations are provided for in the new legislation.

## UNITED STATES SALT FISH ALLOCATIONS AND CEILING PRICES

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

New York, October 13, 1943.—Following a recommendation of the Combined Food Board last May, an international agreement was signed by the United States, the United Kingdom, Iceland, Newfoundland and Canada involving the allocation of the world supply of salt codfish, hake, haddock, cusk, pollock, ling and saithe. The import quota for the United States and its territories, based on estimated production, was set at 28 per cent of the total, or approximately 14,250,000 pounds from Canada, 18,300,000 pounds from Newfoundland and 2,450,000 pounds from Iceland.

### ALLOCATION OF IMPORTS

To assure equitable distribution of this restricted supply in the United States, the War Food Administration on August 5 established individual quotas for each importer based on the quantity which he brought into the country in 1942. Purchases from Canada and Newfoundland were limited to 55 per cent of the quantity imported from each of those countries in 1942, and from Iceland to 20 per cent of imports from that country in the same calendar year. Under Food Distribution Order No. 72, importers were required to file their claims for quotas for the 1943 pack of fish and subsequently to submit copies of their contracts with suppliers. Any quantity of salted fish from the 1943 pack which had already been imported prior to the effective date of the Order was deducted in computing the quota allocated to each importer.

The quota that may be imported pursuant to Food Distribution Order 72 is computed on the basis of dry-salted fish, but each importer may import his entire quota in green-salted, dry-salted or boneless fish or any combination thereof. The ratio used for such computation is as follows; 1 pound of dry-salted fish equals 1.75 pounds of green-salted fish or 0.85 pounds of boneless fish.

Importation to meet the requirements of specified government agencies are exempt from the quota. The Food Distribution Administration is the sole purchaser of salt fish for Puerto Rico.

The Administration has authority to grant supplementary quotas to importers if necessary. A recent situation made it desirable to take this action in order to liquidate a temporary surplus of salt fish in Nova Scotia.

### REVISED PRICE CEILINGS

To bring its pricing action into line with the global allocation scheme under which standard prices are paid to fishermen in the producing countries, the Office

of Price Administration has revised its regulation controlling the prices of these fish at the processor level. Maximum prices under Revised Maximum Price Regulation 384, effective September 21, are, with one or two exceptions, from half a cent to one cent per pound higher than those prevailing at that time. Increases to the ultimate consumer are about one cent to two cents per pound.

The principal change, aside from the price adjustments, is in the allowable transportation costs. Processors are now permitted to add the actual freight cost from the port of entry in the United States or from where the fish is shipped across Canada; for example, the carload freight rate from the shipping point in the United States closest to the plant of the Canadian shipper. This regulation is similar to that contained in Maximum Price Regulation 418, as reported in *Commercial Intelligence Journal* No. 2060 (July 24, 1943).

Copies of FDO No. 72 and RMPR No. 384 are on file in the office of the Senior Canadian Trade Commissioner in the United States, 620 Fifth Avenue, New York, and Canadian shippers are invited to communicate with this office if further information is desired.

Both of the Orders dealt with in this report are already in effect, and a reference to them is published at this time primarily for purposes of record.

### POTATO PRICES IN ARGENTINA

Mr. W. B. McCullough, Assistant Commercial Attaché at Buenos Aires, reports that an executive decree published on September 22 established new fixed prices for table potatoes at the National Potato Market and for seed potatoes in the Balcarce—Mar del Plata zone.

The new fixed wholesale price for table potatoes is 10.50 pesos per 60-kilo sack, including dealers' commissions. The price is the same for potatoes from all zones, whereas the previous fixed prices were from 6 to 9 pesos, depending on the zone. The new fixed retail price is 20 centavos per kilo.

The fixed price on certified seed potatoes is 10 pesos per 60 kilos, basis rail car production zone. The new price for selected seed potatoes (not certified) is 9 pesos per 60 kilos on the same basis.

It is reported that, due to frosts and the lack of rain, the potato crop in the northern early zone—Salta, Jujuy and Tucuman—will be reduced by 50 per cent in some sections and will be at least 15 days later than normal. Potatoes from this zone normally come on the market in late October.

The increase in the maximum price will curtail to some extent consumption of the limited supplies of table potatoes now available from the other zones.

### ARGENTINE BASIC GRAIN PRICES FOR 1943-44

W. B. McCULLOUGH, ASSISTANT COMMERCIAL ATTACHÉ

(3.68 pesos equal \$1 Canadian)

Buenos Aires, October 4, 1943.—A decree issued by the Argentine Government on September 30 established new minimum prices for wheat, flaxseed, and sunflower seed for the 1943-44 crop. The basic price for wheat is 8 pesos, for flaxseed 12 pesos, and for sunflower seed 13 pesos per 100 kilos of grain of fair average quality, basis rail car at Buenos Aires.

It is stated in the decree that purchases at the new minimum prices will begin on December 1 and, due to the shortage of bags, bulk deliveries will be accepted at a corresponding discount. All wheat and flaxseed from the previous crop for export must be purchased from the Grain Regulating Board.



The minimum prices for wheat and flaxseed in 1942-43 were 6.75 pesos and 9.25 pesos respectively. The final price for last year's sunflower seed has not been settled. A temporary minimum price of 8 pesos per 100 kilos was established, and a further advance of 2 pesos per 100 kilos was authorized last February.

With respect to the minimum price for sunflower seed this season, 13 pesos is considered a good price and will stimulate production. The improved demand for sunflower seed oil, particularly from the United States, on behalf of the United Nations was the main factor in establishing this price. Since this information will be available to growers before planting time, there will be a marked increase in the area sown to sunflower this season provided weather conditions are favourable.

## CONTROL OF EXPORTS FROM CANADA

### REGULATIONS AMENDED

By Export Permit Branch Order No. 80, effective October 18, 1943, the second sentence of Regulation 32(b) of the Export Permit Regulations (6th Revision: September 1, 1943) is amended to read as follows: "Export permits are not required for shipments, not exceeding 10,000 pounds in any one week, to the United States, of fresh pickerel or whitefish by licensed fishermen".

### ADDITIONS TO LIST OF PRODUCTS AFFECTED

By Export Permit Branch Order No. 79, effective October 25, 1943, the following technical data, included in Group 9 (Miscellaneous), are exempted from requiring an export permit when transmitted to the United Kingdom:

1. Plans, specifications and other documents in design or construction of any arms, ammunition, implements or munitions of war, as enumerated in Group 10 (Arms, Ammunition, Implements or Munitions of War: Military, Naval or Air Stores).

2. Any model, design, photograph, photographic negative, document, or other article or material containing a plan, specification or descriptive or technical information of any kind (other than that appearing generally in a form available to the public), which can be used or adapted for use in connection with any process, synthesis or operation in the production, manufacture, reconstruction, servicing, repair or use of any commodity other than those commodities listed in Group 10.

*Note.*—This exemption for the foregoing items when shipped to the United Kingdom is in addition to the exemption already applicable to shipments to the United States (see page 35 of Export Permit Regulations: 6th Revision). Shipments to any destination other than the United Kingdom or the United States require export permits.

## TARIFF CHANGES AND TRADE REGULATIONS

### Trinidad

#### ALLOCATIONS IN EXPORTING COUNTRIES CONTROL IMPORT LICENSING

The Trinidad Government, under date September 30 (*Trinidad Gazette Extraordinary* of October 2, 1943), made the following announcement:

1. In accordance with the import programming procedure which is now in operation, export allocations to this Colony are fixed by the Authorities in the United Kingdom, United States of America and Canada in respect of nearly all articles imported into this Colony. Export permits will be granted in those

countries strictly on the basis of the above-mentioned export allocations, and import licences are issued in this Colony on quotas based on those allocations. It follows, therefore, that it is desirable that all import licences issued prior to the date of submission of programs shall be cancelled; if this is not done, such licences may be utilized for obtaining export permits against export allocations fixed in respect of import programs, and importers who have been granted licences on the basis of these programs may fail to obtain the goods named in such licences.

2. Another circumstance necessitating the cancellation of numerous outstanding licences is that there is, in many instances, no likelihood of the goods specified in such licences being supplied by the exporters and from the sources named and, while, therefore, such licences remain applied against importers' quotas, the Colony is, or may be, deprived of a considerable quantity of goods which are urgently needed.

3. Further, it is quite impracticable to arrange proper shipping programs while numerous licences remain outstanding in respect of which there is no information regarding the probable date of delivery of the goods, etc.

4. Finally, it is contrary to the interests of both importers and consumers that import licences should be issued and applied against quota allocations without any information being available concerning the delivery of the goods named in such licences, for the effect of this would be that part of the quota allocation would be used in respect of goods the date of delivery of which is uncertain or which may not be delivered. In future, therefore, import licences will not be granted unless information is available regarding date of delivery and approximate shipping weight and/or measurement. Importers will, however, be granted permits to negotiate for the goods which they desire to import within the Colony's programmed requirements and, on subsequent production of information regarding date of delivery, etc. of such goods, the necessary import licence will be granted.

5. In so far as the cancellation of previous import licences is concerned, every consideration will be given to representations of importers regarding the supply of goods named in the licences which will be cancelled. Importers will be afforded an opportunity to obtain new import licences for such goods, to be applied against programmed allocations, provided that such action is practicable. Unless import licences issued prior to the introduction of the programming procedure are cancelled, some importers will be able to obtain goods under both classes of licences—that is, licences issued prior to the introduction of the programming procedure and licences issued on the basis of programs—and this cannot but operate to the detriment of other less fortunate importers. Cancellation of such licences will in effect, therefore, ensure an equitable distribution of goods amongst all importers.

Mr. G. A. Newman, Canadian Trade Commissioner at Port of Spain, reports that the object of these regulations is to give any import licence issued concrete value based on actual prospects of delivery rather than on unwarranted assumptions. The Import Control Board has explained that the statement "import licences will not be granted unless information is available regarding date of delivery" merely implies that shippers should indicate the approximate date when they will be ready to accept offers of shipping space for the merchandise on which they are quoting.

Authority to make cancellation of import permits was issued by the Acting Governor on September 21, 1943. Notice of cancellation may be published in the *Royal Gazette* or may be given in writing to the licensee concerned as regards licences issued before as well as after the coming into force of these regulations.



**British Honduras****SURTAXES INCREASED ON IMPORTED TOBACCO**

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, Jamaica, reports that, effective July 27, 1943, the surtaxes on tobacco imported into British Honduras have been increased as follows, former surtaxes being shown within parentheses:—

	British Preferential Tariff Per Lb.	General Tariff Per Lb.
Leaf tobacco, except Black Lion, Black Tiger and similar brands	40c. (25c.)	50c. (25c.)
Cigars and cigarillos . . . . .	60c. (15c.)	80c. (20c.)
Cigarettes . . . . .	\$1.00 (50c.)	\$1.00 (50c.)
Snuff . . . . .	25c. (12½c.)	50c. (25c.)
Other manufactured tobacco . . . . .	\$1.00 (18¾c.)	\$1.00 (37½c.)

The foregoing surtaxes are in addition to the ordinary rates of duties.

**FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING OCT. 18, 1943**

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, October 18, 1943, and for the week ending Tuesday, October 12, 1943, with the official bank rate:—

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Oct. 12	Nominal Quotations in Montreal Week ending Oct. 18	Official Bank Rate
Great Britain. . . . .	Pound	4.8666			
		Buying	\$4.4300	\$4.4300	2
		Selling	4.4700	4.4700	—
United States. . . . .	Dollar	1.0000			
		Buying	1.1000	1.1000	1
		Selling	1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2284	.2284	4
Jamaica . . . . .	Pound	4.8666			
		Bid	4.4200	4.4200	—
		Offer	4.4800	4.4800	—
Other British West Indies. . . . .	Dollar	1.0138	.9313	.9313	—
Argentina. . . . .	Peso (Paper)	.4245			
		Official	.3304	.3304	3½
		Free	.2779	.2781	—
Brazil. . . . .	Cruzeiro (Paper)	.1196			
		Official	.0673	.0673	—
		Free	.0569	.0569	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
		Official	.0574	.0574	3-4½
		Export	.0444	.0444	—
Colombia. . . . .	Peso	.9733	.6358	.6358	4
Venezuela . . . . .	Bolivar	.1930	.3330	.3330	—
Uruguay. . . . .	Peso	1.0342			
		Controlled	.7307	.7307	—
		Uncontrolled	.5879	.5879	—
South Africa. . . . .	Pound	4.8666			
		Bid	4.3862	4.3862	3
		Offer	4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
		Bid	4.5380	4.5380	—
		Offer	4.5906	4.5906	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Australia . . . . .	Pound	4.8666			
		Bid	3.5300	3.5300	3
		Offer	3.5760	3.5760	—
New Zealand. . . . .	Pound	4.8666			
		Bid	3.5440	3.5440	1½
		Offer	3.5940	3.5940	—

## CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

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Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

### GENERAL

**Annual Report of the Department of Trade and Commerce.**—A summary of the activities of each of its Branches, including the Commercial Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

**Annual Report of the Board of Grain Commissioners.**—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

**Annual Report of Electricity and Gas Inspection Services.**—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

**Annual Report of Dominion Grain Research Laboratory.**—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

**List of Grain Elevators.**—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

### PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

**Commercial Intelligence Journal.**—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

### PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics:—

**Census of Canada.**

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

**Canada, 1943.** (Price 25 cents.)

**Canada Year Book.** (Price \$1.50.)

**Trade (Internal), prices, cost of living, etc.** (Price \$1 per annum.)

**Monthly Review of Business Statistics.** (Price \$1 per annum.)

**News Bulletin, Daily** (Price \$1.50 per annum). **Weekly** (Price \$1.00 per annum.)



# COMMERCIAL INTELLIGENCE SERVICE

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**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.



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## CONDITIONS IN NEWFOUNDLAND IN 1942

### I

R. P. BOWER, ACTING TRADE COMMISSIONER

St. John's, October 2, 1943.—The year 1942 was unquestionably the most prosperous that Newfoundland has ever known, the prevailing favourable conditions being attributable chiefly to the heavy expenditures on defence works by Canada, the United States and, to a lesser extent, the United Kingdom. The money spent in wages filtered through the economy of the whole country and had its effect upon every phase of activity. Thousands of Newfoundlanders abandoned their usual occupations—fishing, farming, and lumbering—to accept steady work on the various defence projects throughout the Island.

Trade statistics are not available to show imports and exports for the calendar year, but figures for the twelve months ended June 30, 1942, are indicative of conditions for the twelve-month period. According to these statistics, total trade was valued at \$103,984,534 as compared with \$72,814,158 for the corresponding twelve months of 1941-42. While larger imports and exports both contributed to the record total, the bulk of the increase was accounted for by higher imports, the value of which rose from \$35,484,343 in 1941-42 to \$64,584,894. The increased value of imports resulted in the highest customs returns in the history of the country. Revenue for the year ended June 30, 1942, amounted to \$17,310,604 as compared with \$11,648,453 for the preceding year.

The high level of importations was a direct reflection of the high purchasing power of the people. Employment on base construction reached its peak during

the year, and in September more than 19,000 Newfoundlanders were engaged on such projects. This in turn stimulated most civilian enterprises, so that retail stores, public utility companies, hotels, import houses, etc., were operating to capacity and having difficulty in obtaining adequate staffs.

While the cost of living rose steadily throughout the year, thereby tending to reduce real wages, there were no substantial increases in taxation, and war loans were insignificant, with the result that the general level of prosperity reached an all-time peak. There were shortages in certain instances, but nothing of a serious nature developed, although it was apparent at the year's end that there were leaner months ahead. Employment was showing a reduction, and difficulties affecting importations were increasing.

### EMPLOYMENT

With minor exceptions, 1942 was a year of full employment, the supply of labour in many cases being insufficient to meet the demand. Basic industries, particularly the pulp and paper section, were adversely affected through the counter-attraction of employment at high wages on the various defence projects. Many men left the fisheries for the relative security and regular wages of base work, so that fish production declined seriously, although prices were satisfactory.

Agriculture, which is a precarious occupation under any conditions in Newfoundland, also suffered on account of the migration of labour to temporary but more profitable occupations.

The number of men employed on base work continued to increase throughout the year and reached a peak in September, when 19,752 Newfoundlanders were listed as employed on such projects. By December the number had declined to 13,295, with every indication that this trend would continue until a level of about 5,000 was reached. The decline in employment on the bases did not bring about the unfavourable situation that would have resulted had not the fisheries afforded other opportunities for most of these men. The United Nations Food supply position is such that the entire catch of fish from Newfoundland waters can be readily marketed at satisfactory prices, with the result that at least 5,000 men laid off at the bases have reverted to the fishing industry for a livelihood.

At the end of the year there were indications that numbers of men would be leaving for employment in Canada, and that others would be returning to agriculture and to the woods operations for the paper companies. Despite the fact that base work will taper off and virtually disappear in 1943, there is no serious employment problem in prospect, although there will almost certainly be a decline in the total national income.

### OVERSEAS TRADE

#### IMPORTS

Newfoundland import statistics for the calendar year ended December 31, 1942, are not available. Returns for the twelve months ended June 30, 1942, are indicative, however, of trade conditions and may be used for purposes of comparison with conditions in previous years. The Newfoundland statistics do not show the quantities of the various commodities imported; in most cases they show values only. These values do not present a true picture of the quantitative



variations in the trade because prices have risen considerably since the previous year's figures were compiled.

Imports for the year ended June 30, 1942, were valued at \$64,584,894 as compared with \$35,484,343 in the preceding year. Of this total, \$19,473,514 represented goods imported by or for the armed forces. It includes the value of all foodstuffs and supplies taken out of the bonded stores of, or imported duty free through, local merchants, together with that of some part of the goods imported by contractors engaged in the construction of Canadian bases. Nothing is included, however, in respect of goods imported direct for the construction of the American bases or importation of arms or equipment of a military nature. With respect to imports for civilian use alone, the value for 1941-42 was \$45,111,380 as against \$31,635,000 for 1940-41. This total is considerably in excess of the highest totals recorded for any previous twelve-month period.

Of total imports, the largest supplier during the period was Canada, with shipments valued at \$38,758,646 as compared with \$18,594,973 for the twelve months ended June 30, 1941. Therefore, 60 per cent of Newfoundland's imports during the year under review originated in Canada. The supplier next in importance was the United States, which furnished imports valued at \$20,412,134 as compared with \$12,227,484 in the preceding year. This gave the United States approximately 30 per cent of the trade. The United Kingdom shipped, roughly, \$4,000,000 worth of goods and was the third largest supplier, with about 6 per cent of the trade. The following table indicates the effect the war has had upon the distributors of Newfoundland's imports among the three principal suppliers between 1938-39 and 1941-42:—

#### *Distribution of Newfoundland Imports*

	1938-39	1941-42
	Per Cent of Total	
Canada . . . . .	24	60
United Kingdom . . . . .	30	6
United States . . . . .	38	30
All other countries . . . . .	8	4

It is unlikely that Canada will be able to hold this percentage of the total import trade in the post-war period. Not only will the United Kingdom again become a supplier to this market, but manufacturers on the Continent and elsewhere will be competing for Newfoundland's business.

#### **AUSTRALIAN WHEAT AND FLOUR**

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, cabled under date October 18, 1943, regarding the Australian wheat and flour situation as follows:—

Stocks of wheat in Australia at October 1 totalled approximately 170,000,000 bushels. The rate of export during September remained virtually unchanged. Useful rains have fallen in critical wheat areas recently, particularly in Victoria. The crop estimate is 90,000,000 bushels as compared with production last season of 158,400,000 bushels and 170,000,000 two years ago. The area sown to wheat this season is 8,300,000 acres as compared with 9,280,000 acres last season. Flour production is being stepped up, and resultant offals are easing the feeding-stuff situation.

## ECONOMIC CONDITIONS IN AUSTRALIA IN 1942

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

### IV. Mining; Shipbuilding; Textiles; Construction

#### GENERAL INDUSTRY

During 1942 the manufacturing industries of Australia achieved production records that are a credit to the Commonwealth. Under the stimulus of threatened invasion, output reached the highest all-time levels. Naturally the greatest development and the bulk of productive output was directly related to the war-time needs of the defence forces. There was a natural decline in the production of goods for civilian consumption, but a marked increase in the variety and type of products that were required to be manufactured.

With respect to war products, most of the projects associated with the manufacture of weapons and equipment reached the production stage during, or before, 1942. Buildings were completed; machine tools acquired and installed; personnel trained, largely in classes in technical schools organized for that purpose; raw materials were obtained; and the production of jigs, dies or pilot models was brought to the point where satisfactory output, both with respect to quality and volume, was ensured. As might be expected, the numbers of persons employed in the production of war goods increased greatly. As the population of the Commonwealth was insufficient to operate the war industries at the desired level and at the same time to increase considerably the numbers of men and women in the fighting services, there was a steady shrinkage in the numbers of persons employed in industries producing goods for civilian consumption. In the process of transferring men and women from peacetime to wartime industries, the development of manpower controls played an important part. The increasing diversion of essential materials from peacetime factories and the increasing prohibition of the manufacture of non-essential products greatly facilitated the transfer.

Late in 1941 a committee known as the Cabinet Production Executive was established, the main activities of which are, briefly: (1) the development of general policy and co-ordination of administrative machinery; (2) the maintenance and distribution of supplies; (3) the rationalization of industry; (4) prohibitions and other restrictions; and (5) promotion of industrial welfare.

At the end of 1942, it was announced that munitions for the Australian war machine were being turned out in 22 main government factories and in 143 annexes or special factories attached to engineering establishments, both public and private. At the end of 1941 the comparable figures were 6 government factories and 76 annexes.

During 1942 there was evidence of the desire of all concerned to decentralize industry, that is, to remove as many war industries as possible to country centres. The concentration of population in the five capital cities made it difficult before 1939 to establish industry anywhere else in the Commonwealth. At the end of 1942 approximately 12,000 persons were employed in one government munition factory established in the country. Prior to 1939 only 5,500 were employed in all the munition plants of the Commonwealth. It was estimated that no less than 505,000 persons were employed at the end of 1942 in all Australian war plants.

Before the war it was estimated that 542,000 persons were employed in factories. In October, 1942, the number was 709,100, an increase of 30·8 per cent. The Commonwealth Statistician reported that in October, 1942, there were 1,865,000 persons—1,291,000 men and 574,000 women—employed in



Australian industries, including those engaged in the production of munitions and war supplies. In twelve months, from November, 1941, to October, 1942, the number employed in government factories, including the production of munitions, aircraft and shipbuilding, increased from 71,000 to 114,800. In the eleven months ending October, 1942, the number of males employed in department stores declined by 26 per cent, while the number of women was reduced by  $6\frac{1}{2}$  per cent.

Notwithstanding the heavy demands made on the available labour supply for war industries and the fighting services, there was an additional drain for construction work of military importance which military engineers could not undertake. This work was planned by the Allied Works Council, and carried out by the Civil Construction Corps, which employed thousands of men. By the middle of 1942, the Corps was so well organized that one sectional organization constructed 86 miles of all-weather road somewhere in Northern Australia in eight days.

During 1942 it was realized that steps would have to be taken to control supplies. For this purpose an Allied Supply Council was organized to be responsible for such matters as: (1) tabulating the needs of the fighting forces; (2) ascertaining minimum essential requirements for maintenance of the civilian population; (3) determining the extent to which modification or adjustment of Australia's productive capacity might be necessary in order to increase production or to conserve shipping; (4) maintaining a continuous review of production programs and progress.

The deliberations and consequent decisions of this Council have wrought important changes in the civilian life of the people of Australia. These changes are a direct result of rationalization of industry, diversions of manpower, and consequent restriction of the production of goods of a civilian type. They affect civilians through the application of rationing measures and prohibitions, and the industrial life of the Commonwealth through the introduction of new and vital products manufactured in Australia. Included in such products are ferro-alloys, tungsten carbide, plastics, and new chemicals and drugs, including sulphanilamide.

With the noteworthy wartime development of industry, there have come changes likely to have a permanent effect on the national life of the Commonwealth. There is a widespread desire to improve working conditions. The Department of Labour and the Department of War Organization of Industry are assiduous in their efforts to improve the conditions of workers, particularly in respect of welfare and morale. As far as working conditions are concerned, mention need only be made of the steps taken to introduce a compulsory standard of industrial lighting, based on two years' research. The findings of the Australian Standards Association are the basis of the new standards, and the schedule sets out additionally the quantity of illumination required for specific industrial premises and tasks.

The outstanding problem allied to the question of improving morale is absenteeism, which is a matter of concern to those responsible for maintaining the production of essential supplies for the Commonwealth. A great deal of study has been given to this important problem, and results are said to be satisfactory.

Other problems connected with the effort to increase production were associated with the understandable shortage of trained scientists. Early in 1942 certain firms manufacturing similar products pooled their technical resources in an attempt to solve mutual problems arising from shortages of basic materials or to replace usual raw materials with substitutes. The Commonwealth Government established a Scientific Liaison Bureau to ensure that

scientific problems arising out of the war effort will promptly be brought to the attention of scientists. It would establish contacts between those who encounter scientific problems and those who can solve them, and can arrange for co-operation between scientists no matter where they are employed. The Director-General of Manpower assisted in the wider use of scientifically trained personnel by declaring that all students in the faculties of medicine, dentistry, engineering, science, agriculture and veterinary science would be reserved to ensure an adequate number of scientists for essential services.

### MINING INDUSTRY

The year 1942 was a most difficult one for the mining and metallurgical industries of Australia. Problems associated with manpower increased in number and complexity. Heavy withdrawals of manpower from the gold-mining industries of Victoria and Western Australia reduced the scale of operations considerably, and the production of gold declined in proportion. In 1941 there were 9,000 to 10,000 men employed in the gold mines of Western Australia; at the end of 1942 there were approximately 4,500. In 1941 the production of gold in that state amounted to 1,109,318 fine ounces valued at £A11,851,455; for 1942 the comparable figures were 848,180 ounces valued at £A8,865,495. In Victoria production declined from 149,769 ounces in 1941 to 101,497 ounces.

At the end of 1939 there were at least 100 gold mines operating in Victoria, but by September, 1942, the number had declined to 74, and at the close of 1942 only 28 were operating. Most of the mines were obliged to close down through depletion of manpower, although financial stringency may have dictated the closing of some.

In common with other countries that have made industrial history, Australia possesses great mineral wealth, including those necessary deposits of coal, iron ore, and limestone, that are the bases of an iron and steel industry. Without these basic natural resources, industrial progress in the Commonwealth would be greatly restricted, both as to the supplies of raw materials and the production of machinery and tools. The steel industry of the Commonwealth is already noteworthy, not only on account of its firm foundation, based on an almost unlimited domestic supply of raw materials, but by reason of the fact that the steel produced is made available to consumers at prices lower than those quoted anywhere else in the world. Not only is the price satisfactory, but quality is high also. As a greater contribution to the war effort of the United Nations, annual production of steel has been increased from about 1,000,000 tons in a pre-war year to 1,800,000 tons in 1942. Many types of steel are being produced in Australia, ranging from basic materials to highly complicated alloys, including armour plate.

Copper and zinc production is also being maintained at high levels. The production of other strategic metals and minerals continues to engage the attention of specialists throughout Australia in an effort to increase the contribution of the Commonwealth to the waging of the economic war. Asbestos, scheelite, tin, quartz crystals, mica, and aluminium are all the objects of special research groups. During 1942 it was announced that the production of magnesium in Australia had reached satisfactory proportions.

The shortage of shipping during the first three years of the war compelled the Commonwealth authorities to give considerable attention to increasing the output of many products within the Commonwealth, even if the necessary raw materials were not always readily available. An example is the production of copper wire of many types, requiring the importation of cotton and rubber, the latter now being replaced by Australian reclaimed rubber.



## SHIPBUILDING

One Australian industry that reported progress during 1942 was shipbuilding. The importance of this industry in military strategy, as well as in the appreciation of the economic war position, is indicated by the decision towards the end of 1942 to widen the scope of the Ministry of Supply to include shipping. The flow of supplies to Australia during 1942 reached unusually high levels. Despite the efforts of the Central Cargo Handling Committee to shorten the "turn-around" time in Australian ports, it was realized that a greater number of ships was required. The shipbuilding industry of the Commonwealth has been a most important factor in the war effort of Australia, while the contribution of the sister ship-repairing industry is also very creditable. It was announced that in seven months no less than 1,700 ships, totalling 6,000,000 tons, had been given service or maintenance under the Commonwealth Ship Repair Section. During the same period more than 270 ships, of a total tonnage exceeding one million, were docked for service.

## TEXTILE INDUSTRY

Probably no industry in Australia has undergone such changes as that producing textiles. These changes were a direct result of diversion to war production or of the necessity for economizing in the consumption of essential raw materials. However, despite these drawbacks, the Australian production of textiles during 1942 is estimated to be no less than  $2\frac{1}{2}$  times the pre-war output. This satisfactory increase has been achieved largely by standardization of types of products, and through improved techniques which generally accompany increasing output, and the loyal co-operation of employees.

Soon after the entrance of Japan into the war, steps were taken to control closely the consumption of cotton, largely in an effort to conserve shipping space. On April 1, 1942, silk and imported spun cotton were brought under the control of the National Security Regulations of the Commonwealth. After that date the use of such materials was closely controlled. It was stipulated that a 50 per cent reduction in the processing of imported cotton was required. To prevent any market exploitation, it was further stipulated that no orders for cotton textile materials could be placed with United Kingdom manufacturers unless they were sponsored by the Commonwealth Government.

In May, 1942, further steps were taken to control textile production when an order was issued placing the knitting, fabrication, distribution, sale or other disposal of knitted goods under the direct supervision of the proper Commonwealth authority. It was set out in the order that knitted goods were essential for the defence of the Commonwealth and the efficient prosecution of the war.

During 1942 there was a heavy demand for woollen fabrics for the fighting services, and Australian mills that were properly equipped were obliged to operate two, and sometimes three, shifts daily to keep up with this demand. Local civilian requirements had to be restricted. As the Government was given priority for supplies from the woollen mills, the problem of meeting civilian requirements became serious. An attempt was made to meet this difficulty through control, and in June, 1942, clothing rationing was introduced in the Commonwealth. Other steps taken to conserve the productive capacity of Australia's textile mills included a series of orders to control styles of clothing.

## BUILDING CONSTRUCTION

A striking example of the effect of an approach to "total war" on the ordinary economic activity of Australia is apparent from the marked declines in building construction. While the shortages of new structures for offices and factory use have had their effect, the virtual ban on civilian building has

resulted in a serious housing shortage. This shortage is not only due to a reduction in building but is probably to a greater extent the result of the influx into the capital cities of persons, with their families, seeking employment in munition factories.

The housing shortage has received continuous attention from both the Commonwealth and state governments, but the heavy demands of the Allied Works Council for skilled building labour and for essential materials for strategic works rendered the launching of any comprehensive housing scheme impossible.

The following statistics show the extent to which building has been affected in Australia by the war:—

### *Construction of New Dwellings*

	Number	Value
1938-39 . . . . .	17,552	£A18,102,000
1939-40 . . . . .	16,407	17,284,000
1940-41 . . . . .	17,827	20,356,000
1941-42 . . . . .	9,687	9,571,000

The half-yearly statistics are even more indicative of the situation.

	Number	Value
Jan.-June, 1941 . . . . .	9,492	£A10,447,000
July-Dec., 1941 . . . . .	8,736	8,727,000
Jan.-June, 1942 . . . . .	951	844,000
July-Dec., 1942 . . . . .	235	142,000

The State of Victoria established a War Workers' Housing Trust as likely to provide a solution for the acute housing shortage. This trust reported that nearly 2,500 houses would be completed early in 1943 in an attempt to ease the position in Melbourne. These houses were designed to be let at from 12s. 6d. to 22s. per week (\$2.25 to \$3.96 Canadian), and it was estimated that they would shelter about 10,000 people. In addition the Trust had in contemplation the construction of 24 hostels for men and women, with a capacity of 3,800 people.

The estimated total cost of the scheme, complete and authorized, was £A2,500,000. The Trust also had in mind the desirability of converting existing large houses to shelter munition workers. At the end of 1942 the housing situation was still under consideration by both the federal and state governments.

## **NEW ZEALAND TRADE AND ECONOMIC NOTES**

C. B. BIRKETT, ACTING TRADE COMMISSIONER

### **Dairy Production**

Auckland, September 3, 1943.—According to the report of the New Zealand Co-operative Dairy Company Limited, the total dairy production of New Zealand for the 1942-43 season, estimated on a butterfat basis, shows a reduction of approximately 8½ per cent as compared with the 1941-42 figure; as compared with the 1940-41 output, the reduction is approximately 14 per cent.

These figures are the most reliable that can be obtained covering the whole field of production of dairy produce, including local consumption, supplies to the Pacific area, and liquid milk, and should not be compared with published figures covering gradings for export. The decline is attributed chiefly to: (1) adverse weather conditions; (2) depletion of labour to meet the requirements of the fighting services; (3) reduced quantities of fertilizer.

The level of production reached is the lowest for any of the war years, and there is reason to believe that the downward trend may not be arrested during



the current season because feed is generally scarce throughout the country and the condition of cattle is on the whole lower than is usual at the beginning of the season. Furthermore there was a low saving of hay and ensilage last season. If to this is added the developing effect of several years of inadequate supplies of rationed fertilizer and the swing to sheep, the result is a combination of circumstances that make improvement in production appear unlikely.

### **Production of Wool**

The New Zealand wool appraisals, or sales, for the year ended June 30, 1943, realized £16,802,780, or £2,304,228 more than for the year ended June 30, 1942. The quantity of wool was larger by 7,892 bales, totalling 834,651 bales. The value of a bale was £20 2s. 8d. as against £17 10s. 9d., and the price per pound was 13s. 9d. as compared with 12s. 2d. The bales averaged 346 pounds and 343 pounds respectively.

In addition to these sales, which were of greasy wool, 115,946 bales of *slipes*, or freezing-works, wool were sold, accounting for £3,075,844, so the total realized for all wools was £19,878,635 14s. 7d., an average of £20 18s. 3d. a bale, or 14s. 5d. per pound. Of the 834,651 bales of greasy wool sold, 501,110 were contributed by the North Island. Wool carried over at June 30 amounted to 19,636 bales of greasy, and production for the past season was 962,359 bales.

### **Reciprocal Pension Payments**

Reciprocity in age and invalids' benefits between New Zealand and Australia is provided in an Act recently passed in the New Zealand House of Representatives. The Act provides that where a person resident in New Zealand was, immediately prior to becoming resident in New Zealand, resident in Australia, the residence of that person in Australia shall, for the purposes of the Social Security Act in its application to age benefits and invalids' benefits, be treated as if it were residence in New Zealand.

### **Dehydrated Butter**

Since July 31, 1943, the end of the dairy production year, there has been no dehydration of whey butter for export to the United Kingdom, and it is not likely that it will be undertaken this season in view of the fact that British authorities have asked for a minimum of 115,000 tons of butter and an almost equal amount of cheese during the present production year. This is regarded in commercial circles as an indication that ample refrigerated shipping space will be available for the New Zealand trade this season.

### **Steel Control**

Under the Steel Emergency Regulations, 1943, a Steel Controller has been appointed in New Zealand. His functions are as follows:—

- (a) To promote the most efficient and economical production, rolling, ordering, importation, distribution, use and control of steel.
- (b) To determine the purposes for which steel should be used, the order of importance of those purposes, and the purposes for which the use of steel should be wholly or partly prohibited.
- (c) To determine the types and quantities of steel that should be imported and the sources from which and the manner in which such steel should be procured.
- (d) To determine the types and quantities of steel that should be produced or rolled in New Zealand.
- (e) To determine what persons should hold existing and future stocks of steel and the types and quantities of steel that should be held by such persons.

- (f) To ascertain particulars of any steel held or on order by persons in New Zealand and particulars of any orders for the importation or supply of steel.
- (g) To regulate, restrict, and control the use, sale, supply distribution, and disposal of steel and to publish particulars of the conditions of distribution (whether as to price, minimum quantities, or otherwise).
- (h) Generally to assist and advise the Minister in the exercise of his powers and functions under the Supply Control Regulations in so far as they relate to steel and to exercise and perform such of those powers and functions (including the powers and functions of any other Controller) as may be delegated to the Controller under Regulation 4 of the Supply Control Regulations.

Steel is deemed to apply to carbon, alloy, or stainless steel in the following shapes and sections: billets, blooms and other semi-finished forms; structurals and piling, including girders, joists, angles, tees, and channels; plates of all descriptions; rails; track material; bars of all descriptions, whether hot-rolled, cold-finished, reinforcing, or tool-steel bars; pipes and tubes; wire rods; wire and wire products, including wire rope and wire netting; tin-mill black plate; tinplate and terne plate; sheets and strip; wheels and axles; steel castings; skelp; it includes such other like materials or products as may from time to time be declared by the Controller by public notice to be steel for the purposes of these regulations.

### Reserve Bank of New Zealand

According to the Annual Report of the Reserve Bank of New Zealand for the year ended March 31 last, the upward trend in notes in circulation continued, and at the balance date the total notes outstanding was £6,245,699 higher than at March 31, 1942. Contributing factors to this increase were full employment, high wages and overtime, pay of the services, and the presence of American troops in New Zealand.

Holdings of sterling exchange throughout the year were largely in excess of the previous year's figures, although in March last a reduction was shown as the result of a payment to Great Britain of £8,000,000 under the Memorandum of Security. By this Memorandum, Britain pays the expenses of the New Zealand Forces abroad. On August 23, 1943, sterling exchange stood at £24,725,000 as compared with £25,243,000 on the same date last year.

Reviewing wartime changes in money supply, the report states that the total amount of money in the form of coin and notes in active circulation, together with bank demand deposits, has increased by £67,000,000, or 123 per cent, between the outbreak of war and March 31 last. The increase is attributed mainly to receipts from overseas in excess of payments overseas and the expansion of bank credit.

The desire of the Government to avoid the further expansion of bank credit and to transfer a large proportion of immediate spending power to war purposes is emphasized.

The principal items in the returns as at August 23, 1943, as compared with those at the corresponding date last year are shown in the following table:—

### New Zealand Bank Returns

	1943	1942	Variation
Notes . . . . .	£33,344,000	£26,621,000	+£ 6,723,000
Deposits—			
State . . . . .	15,774,000	11,217,000	+ 4,557,000
Banks . . . . .	27,583,000	21,438,000	+ 6,145,000
Exchange . . . . .	24,726,000	25,243,000	— 517,000
Advances—			
Marketing . . . . .	6,212,000	7,243,000	— 1,031,000
Other . . . . .	32,753,000	22,300,000	+ 10,453,000
Ratio (per cent) . . . . .	33.650	46.249	— 10.599



## IRISH EXCHEQUER RETURNS

E. L. McCOLL, CANADIAN TRADE COMMISSIONER

Dublin, October 5, 1943.—Irish Exchequer returns for the first half of the current financial year, recently issued, show revenue for the twenty-six countries at £19,246,024. In view of the fact that trade is severely restricted, this is a large amount. As compared with the figure for the corresponding period of last year, there was an increase of £1,557,098, but expenditure, at £20,486,712, is £1,719,921 higher. Accordingly there is a deficit of £1,240,688 as against £1,077,865 twelve months ago.

The largest yield was from customs duties and tariffs, which produced £6,101,000 and £3,888,000 respectively, the receipts exceeding those for last year by £273,000. Reviewing the published import trade returns for the five months April to August, 1943, total import values are shown at £11,171,544. Assuming that the figure for September would equal the average for these months, the total value of imports for the half year would be approximately £13,405,000. As already stated, the revenue from customs duties amounted to £6,101,000, a sum nearly equal to half the total import trade for the six months. Increases were recorded under all heads, with the exception of two—motor vehicle duties and excess profits duty. The net increase in tax revenue was £1,442,000, to which an increase of £115,098 in non-tax revenue has to be added.

The present financial year opened with a balance of £1,129,792 in the Exchequer, but at the end of the current half year this amount had fallen to £236,505. Revenue for the half year, however, does not fall far short of half the estimate for the whole year, and as a rule the second half of the year is more productive than the first.

## ECONOMIC CONDITIONS IN URUGUAY IN 1942

J. C. DEPOCAS, ASSISTANT COMMERCIAL ATTACHÉ

Buenos Aires, October 7, 1943.—Before the entry of the United States into the war, there were indications of an improvement in economic conditions in Uruguay. In 1941, the favourable trade balance had amounted to US\$7,700,000 and the balance of payments to US\$6,500,000. There were practically no shortages of essential materials.

Overnight the country was faced with difficulties that soon put a severe strain on her economic structure, which is based on the production of a small number of articles for domestic consumption and for exports in exchange for the imports of a great number of necessities. These difficulties derive from the shortage of shipping space, as the national shipping fleet was and still is too small to replace the American ships that were immediately required elsewhere. Goods that were sold could not be delivered, and supplying countries were short of materials and of shipping facilities. Very soon there was a shortage of supplies that affected public transport and the normal activities of the building trades and of several industries.

The first and most difficult problem presented was the lack of fuel. There are no coal mines in Uruguay and no oil deposits; the forests are small and depleted. All the gasoline used in the country is refined locally from imported petroleum, and coal must also be imported at an annual rate of 400,000 metric tons; only 150,000 tons were received during 1942. The demand for fuel is always pressing. The entire output of electricity is generated by thermal electric plants, and speedy transportation by rail or highway between the rural centres and the metropolis is essential. The country did not have the facilities to build

up an adequate reserve to carry it through a long crisis, even had this been possible. Liquid fuels were bought from other American nations and the Dutch West Indies. Under the Latin American pool arrangements, Uruguay received petroleum fuel but, with the increasing shortage of shipping facilities, deliveries were gradually restricted at the end of 1942 to 40 per cent of 1941 supplies.

Substitutes had to be resorted to. Argentine corn, linseed and sunflower-seed cakes were imported and used by the state electric power plant; alcohol and kerosene were mixed with gasoline; wood-burning heating systems were installed in locomotives, manufacturing plants, shops, apartment houses, and private residences; gasoline was rationed; a surcharge was added to gas and electricity invoices; transport services were reduced; and working hours were changed many times. Despite all these measures, the situation was critical in December, 1942. On December 5 there was a 45-days' supply of gasoline naphtha (aviation), an 11-days' supply of common gasoline naphtha, a 16-days' stock of kerosene, a 14-days' supply of gas oil, a 44-days' reserve of light fuel oil, a 9-days' supply of heavy fuel oil, and an 87-days' reserve of mineral coal.

The import trade was affected in many ways. Shipments from Japan, mostly of manufactured goods, were immediately stopped. When possible the United States and the United Kingdom supplied raw materials or partly manufactured goods instead of the finished products as formerly. Switzerland was forced to reduce her shipments of manufactured goods. On the other hand, Uruguay could buy from neighbouring countries dry goods, notions, and raw materials for her industries at a higher price for an inferior quality, and no restrictions whatever were imposed by the Government on foreign exchange transactions of this kind. Consequently the importation of toilet goods, building materials, equipment, rolling-mill products, hardware, metals, electrical supplies and apparatus, and vehicles decreased when they could not be supplied by neighbouring countries.

These changes in the import trade affected the building industry, as indicated by the reduction in the number of building permits in 1942 to 5,283, with a value of 14,337,399 pesos, from 6,923 valued at 23,431,971 pesos in 1941. This decline in building construction was offset to some extent by a government program of public works. The metal trades, closely connected with the building industry, were also short of material. The woollen industry prospered, the mills operating twenty-four hours a day and exporting 50 per cent of their production to Sweden, Brazil, South Africa and other countries. Other small-scale industries already established and producing such items as glass, paper, beet sugar, wine, beer and non-alcoholic beverages had less or no competition to meet from abroad. In the cotton and leather industries the development was not so marked as in the woollen industry, but nevertheless they were making progress that would have required many more years in normal times. The Uruguayan sugar refining industry has made a substantial advance towards self-sufficiency. Imports during 1942 totalled 25,945 tons of raw sugar and 34,599 of refined sugar, representing altogether a c.i.f. value of US\$4,000,000. A refinery now being erected with machinery bought in the United States will have a capacity of 1,250 metric tons of beets a day.

The national industries, those whose products are the principal sources of foreign exchange—wool, meat, and linseed—were also adversely affected. This was particularly true of wool, the leading Uruguayan commodity. At the outbreak of the war the situation with respect to wool was uncertain. There were no illusions concerning shipping difficulties, but it was also considered probable that the United States, owing to the impossibility of obtaining Australian wool, would have to buy from Uruguay at any price. As it happened, it was as difficult to effect imports from Uruguay as from Australia, and the local market was less active than usual. Shipments from October 1 (the beginning of the



wool season) to the end of December, 1942, totalled only 4,735 bales (52,203 cwts.) as against 11,350 bales (125,134 cwts.) in the corresponding previous period and the average for the five preceding seasons of 28,604 bales (313,359 cwts.), and huge stocks sold but not paid for had to remain in storage.

Fortunately at the end of November, 1942, Uruguay and the United States reached an agreement whereby the latter undertook to buy the remainder of the 1941-42 clip (about 340,000 cwts.), to be shipped as quickly as possible, at a price of 9.50 and 8.60 Uruguayan pesos for 10 kilos, according to quality, and 425,000 cwts. of the 1942-43 clip at 8 and 7.80 pesos, the buyers to assume responsibility for the wool after 60 days should it be found impossible to arrange for shipment within that period. The 1942-43 clip has been estimated at 1,400,000 cwts. and, with the increased local demand, wool presents no problem for the time being.

#### LIVE-STOCK INDUSTRY

During 1942, cattle slaughtering totalled 1,095,861 head, as against 994,859 in 1941 and 941,940 head in 1940, out of 8,297,000 head according to the latest census of 1937. During the same years sheep slaughtering totalled respectively 1,195,033, 1,699,244 and 1,330,657 head and those of hogs 93,825, 118,825 and 109,802. The ratio of cattle slaughtering to population was 13 per cent in 1942, 12 per cent in 1941, and 11 per cent in 1940. Some concern was occasioned by this gradual increase, as it tends to deplete stocks too rapidly. During the second half of the year a prolonged drought resulted in the loss of a great number of animals. It also destroyed the pastures, which forced the estancieros to sell unfattened animals to the packers or ship them for grazing in Argentina and Brazil, a difficult undertaking owing to the shortage of transport facilities. The number of dead cattle, estimated at between 1,000,000 and 1,600,000 head, is equal to a year's slaughtering. The loss to Uruguay cannot yet be estimated; it may reach a figure between 40 and 50 million pesos. Animals slaughtered at the end of 1942 and the beginning of 1943 were below weight and the yield was smaller. There will be other losses from a higher death rate, poor feed, low reproduction, higher cost of forage, etc. Of the packers' production, 57 per cent is for export.

Exports of dry cattle hides were 1,741 tons in 1942 as against 1,022 in 1941, and those of salted cattle hides were 17,117 tons as compared with 13,185 tons. The local tanners processed 250,000 salted cattle hides, 20,000 dry cattle hides, and 50,000 sheepskins, representing an increase of about 10 per cent over the figures for the previous year, due to a greater demand from the United Kingdom.

#### AGRICULTURE

In Uruguay agricultural production is considered adequate when it meets the requirements of the country. Weather permitting, an average crop will take care of the local demand and in some cases leave a satisfactory carryover; otherwise the country may be dependent on imports for several essential products, such as wheat.

Linseed is the only agricultural product that is harvested for export; it is third in importance as a source of foreign exchange, following wool and meat. Corn, on the contrary, must be imported, whether in a good or bad year, as consumption always exceeds production even if efforts to increase the crop are successful. Half the table-potato consumption (2,200,000 bushels) must also be imported.

The 1940-41 wheat crop being short, it was necessary to import supplies from Argentina during the first months of 1942. However, the 1941-42 crop was a success and stocks are now ample. During the period that Uruguay had to import wheat, the Government established by decree a minimum price for the domestic

product at 7.50 Uruguayan pesos per 100 kilos. This price, which applied to January wheat, was to be increased by 10 centavos every two months. By this decree the Government is obliged to accept all offers of wheat at the basic ruling prices, and the product is then stocked for further disposal. At the end of 1942 the market was dull, but receipts were considerable, and it was forecast that the basic prices would be lowered.

The corn crop, higher by 3 per cent than for 1940-41, was still short of requirements, and 15,000 metric tons had to be imported. It is expected that during 1943 Uruguay will have to purchase 40,000 tons from Argentina to be used for distilling alcohol.

The production of cereal crops during 1941-41, 1941-42 and 1942-43 was as follows:—

### *Uruguayan Cereal Crops*

	1940-41	1941-42	Estimated 1942-43
	Thousands of Bushels		
Wheat . . . . .	7,059	13,666	12,466
Oats . . . . .	1,236	2,310	1,999
Barley, common . . . . .	286	425	403
Barley, brewing . . . . .	163	235	277
Linseed . . . . .	2,171	1,847	1,811
Corn . . . . .	4,670	4,617	1,969
Rye . . . . .	0.2	0.9	5
Potatoes . . . . .	999	1,269	n.a.
	Thousands of Cwts.		
Rice . . . . .	242	434	424

Except for tropical fruits, Uruguay is self-sufficient, and in 1942 the production of fruits and vegetables was normal.

### GOVERNMENT FINANCE

During 1942 the national debt increased from 449,531,000 pesos to 493,152,000 pesos, of which 354,973,000 pesos represent the internal and 138,179,000 pesos the external debt. There were new internal issues for 52,000,000 pesos, while 6,400,000 pesos were amortized against the internal and 2,600,000 pesos against the external debt. Of these 52,000,000 pesos, 33,000,000 pesos was earmarked for the realization of a vast plan of public works, comprising highways, railways, bridges, waterworks, schools, etc., and 8,000,000 pesos for the new national airport at Carrasco.

The Rio Negro Power development was the subject of an agreement between the United States and Uruguay. A few years before the outbreak of the war, Uruguay had reached an agreement with a German consortium who would finance and supervise the construction of this hydro-electric plant but it was left incomplete in 1939. By this new agreement that contract is cancelled, all German interests are eliminated, and the United States is to open a credit of US\$12,000,000 for the purchase of generators and other equipment and materials, US\$4,000,000 to be made available during wartime and the balance after the war. This hydro-electric plant is to solve a major problem of the Republic, as Uruguay is dependent on foreign sources of fuels for its thermal electric plants, and the 1942 fuel cost of the state Light Power and Telephone Co. reached the record figure of 7,000,000 pesos. The 1942 financial year closed with a deficit, since the 1941 budget, which closed also with a deficit, had been extended to 1942. Expenditures in 1942 amounted to 112,695,481 pesos, and receipts totalled 94,161,051 pesos, leaving a deficit of 18,534,430 pesos. The revenues in 1942 were mainly from: Customs, 28,950,000 pesos (35,325,000 pesos in 1941); internal taxation, 13,222,000 pesos (9,573,000 pesos); direct taxation, 31,451,000 pesos (29,478,000 pesos). Government profits on exchange totalled 13,110,000 pesos in 1942 as against 11,709,000 pesos in 1941 and 13,627,000 pesos in 1940.

As an alternative method of balancing the budget to public loans, government authorities submitted proposals for a new taxation law providing for: a



15 per cent impost on receipts and other operations not covered by sales tax; an increase of  $\frac{1}{2}$  per cent on land tax; an increase in land tax surcharge; an increase to double the tax on share companies; an increase in all inheritance taxes; a tax of 1 per cent monthly on bank savings accounts and fixed deposits; an increased tax on fuel oils; an increased tax on pharmaceutical products; a tax of 0.02 peso and 0.04 peso on each half and whole bottle of malt respectively; an additional tax on all soft drinks.

On July 1 a decree was passed embodying a number of the suggested taxes, such as the increase in the surcharge on land tax, an increase in the inheritance tax, and a tax on bank overdrafts, savings and fixed deposits. The additional revenue expected from these changes was 9,000,000 pesos.

Later the prices of gasoline and gas oil were increased by government decree, but this was more in the nature of a restrictive measure than a revenue tax, owing to the shortage of fuel. To balance the 1943 budget, other measures have been put into force, such as revision of the customs duties, application of profits to reminting of silver, application of government exchange profits, and probably the imposition of a new excess profits tax.

## TARIFF CHANGES AND TRADE REGULATIONS

### Trinidad

#### CONTROL OF FOOTWEAR IMPORTS

An Emergency War Regulation, published in the Trinidad *Royal Gazette* of October 2, requires footwear dealers to place all imports of such goods under the control of the Director of the Bulk Purchasing Department. The Director is empowered to require dealers to sell or dispose of such footwear in accordance with such directions as he may specify. This step is designed to ensure equitable distribution of certain large imports of footwear ordered recently. The Secretary of the Import Control Board states that footwear will continue to be imported through the usual commercial channels.

### United States

#### QUOTA ON CERTAIN FISH ENLARGED

United States Treasury Decision 50937 of October 2, 1943, announces an enlargement of the tariff-rate quota for the calendar year 1943 on certain fish dutiable under Paragraph 717 (b), Tariff Act of 1930, as modified pursuant to the Canada-United States Trade Agreement. The trade agreement provides for a reduction in duty from  $2\frac{1}{2}$  to  $1\frac{7}{8}$  cents per pound on an annual quota of 15,000,000 pounds of fresh or frozen cod, haddock, hake, pollock, cusk, and rosefish, filleted, skinned, boned, sliced or divided into portions and not otherwise specially provided for in the tariff. There is a proviso that when the average apparent consumption in the United States during the three preceding calendar years exceeds 100,000,000 pounds, the quota may be increased by 15 per cent of the amount by which the average consumption exceeds this figure. In accordance with this proviso, the aforementioned quota, which may be imported during the calendar year 1943 at the reduced rate of duty provided for in the trade agreement, has been increased from 15,000,000 to 17,804,128 pounds.

### Chile

#### DUTY ON COAL SUSPENDED

Mr. M. J. Vechsler, Canadian Commercial Attaché at Santiago, writes that a Chilean decree of September 21, 1943, suspends for a period of three years the import, statistical, warehousing and all other duties on the import of coal into Chile.

## DUTY ON CROWN CORKS REDUCED

Another Chilean decree of September 21, 1943, reduces the duty until December 31, 1943, on crown corks, with or without cork, from 1.50 to 0.15 gold peso per kilogram gross weight (from about 10 cents to 1 cent per pound). The reduction applies to goods that have been deposited in the Customs House since March 5, 1943.

## IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to October 2, 1943.

Unit	Total Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to October 2, 1943 Quantity	Per Cent
Whole milk. . . . .Gal.	3,000,000	6½ to 3¼c. per gal.	5,585	....
Cream. . . . .Gal.	1,500,000	56½ to 28¾oc. per gal.	702	....
Filleted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish. . . . .Lb.	15,000,000	2½ to 1½c. per lb.	12,854,791	73.3
Seed potatoes . . . . .Bu.	1,500,000 beginning Sept. 15, 1942	75 to 37½c. per 100 lb.	24,750	1.6
White or Irish potatoes, other than seed potatoes. . . . .Bu.	1,000,000 beginning Sept. 15, 1942	75 to 60c. per 100 lb. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30 Free	9,227	0.9
Red cedar shingles. . . . .Sq.	2,506,072		1,127,083	44.9
Silver or black foxes, furs and articles: *Foxes valued under \$250 each and whole furs and skins . . .No.	100,000 beginning Dec. 1, 1942	50 to 35% ad val.	45,658†	45.6
Tails . . . . .Piece	5,000 beginning Dec. 1, 1942	50 to 35% ad val.	463	9.3

\* The duty on live foxes of 15 per cent ad valorem, the rate under the Tariff Act of 1930, is not affected by the Agreement.

† Imports from Canada of 45,658 foxes valued at under \$250 each and whole furs and skins is for the period December 1, 1942, to April 30, 1943. For the period May 1 to November 30, 1943, the United States set the quota allotment at 33,229 for all countries, and for the period May 1 to October 2, 1943, imports totalled 31,169. However, there is no indication in the statement by Treasury Department as to what proportion of these imports was supplied by Canada.

The Treasury Department also reports that, for the twelve months beginning May 29, 1943, the following quantities of wheat and wheat flour entered or were withdrawn from warehouse for consumption under the import quotas established by the President's proclamation of May 28, 1941, as modified by proclamations of April 13, 1942, and April 29, 1943:—

	Quotas		Imports May 29 to October 2, 1943	
	Wheat Bus.	Wheat Flour and Other Products Lb.	Wheat Bus.	Wheat Flour and Other Products Lb.
Canada . . . . .	795,000	3,815,000	795,000	162,913
Other countries . . . . .	5,000	185,000	Nil	Nil



## EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

### Peru

W. G. STARK, ACTING TRADE COMMISSIONER

Lima, October 15, 1943.—Dollar exchange in Peru is plentiful and sufficient to meet commercial payments regularly. The bank rate for the Peruvian sol remains steady at 6.485 soles to the United States dollar buying and 6.50 soles selling. Taking into consideration the official rates as between United States and Canadian dollars, approximately 5.85 soles equal one Canadian dollar, or one Peruvian sol is roughly equivalent to 17.1 Canadian cents. Although the exchange position is easy and some appreciation in the value of the sol could be achieved, there does not appear to be any intention at present of modifying current exchange rates.

There is no official import or exchange control in operation in Peru but, through a semi-voluntary system, Peruvian exporters, or banks acting on their behalf, hand over their foreign exchange to the Central Reserve Bank. The latter in turn allocates its exchange to the various commercial banks in a rough proportion between their normal dealings and present requirements. The Central Reserve Bank has accumulated surpluses of dollars and, although granted a \$10,000,000 credit in December, 1940, by the United States Export-Import Bank for currency stabilization purposes, it has not found it necessary to draw on this fund. Money is plentiful and collections are taken up promptly.

### DOLLAR NOTES

According to a Supreme Decree of June 8, 1942, the importation and exportation of United States dollar banknotes is henceforth to be made exclusively by the Central Reserve Bank. The only exception is in favour of passengers entering or leaving the country, who may bring in or take out up to \$100 in notes. No restrictions are placed on travellers' cheques or letters of credit, the decree being designed only to obviate the results of clandestine operations in dollar bills.

### TERMS OF PAYMENT

Regarding terms, it is recommended that Canadian exporters require cash against documents for their shipments and a letter of credit if the firm is not known to them. Ordinarily the latter arrangement is only accepted by importers under special circumstances but, due to the difficulty of obtaining goods from any source, traders are now more willing to comply. A considerable volume of business is still done on short-credit terms of 30 to 90 days, but acceptance of these conditions is only advisable when the exporter has full confidence in the consignee's ability to pay.

It is recommended that, when making quotations to Peruvian concerns, shippers in Canada quote in terms of United States dollars, since, according to the regulations of the Canadian Foreign Exchange Control Board, final payment must be effected in that currency. This prevents confusion between the official and unofficial rates for Canadian dollars in terms of United States funds, as well as ensuring that prices are quoted in the medium of exchange that is most commonly used in this market. If quotations are made in Canadian dollars, a clear indication should be given of the exchange allowances granted to convert these offers into United States currency.

## Cuba, Haiti, Dominican Republic, Puerto Rico, and United States Virgin Islands

J. L. MUTTER, CANADIAN TRADE COMMISSIONER

Havana, October 7, 1943.—There are no official exchange restrictions in force in any of the above-listed countries that are likely to affect the collection of drafts drawn on importers therein by exporters abroad. Merchants in these territories may obtain without difficulty the foreign exchange to pay for their imports from Canada.

### FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING OCT. 25, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, October 25, 1943, and for the week ending Monday, October 18, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Oct. 18	Nominal Quotations in Montreal Week ending Oct. 25	Official Bank Rate
Great Britain. . . . . Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. . . . . Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico . . . . . Peso	.4985	.2284	.2284	4
Jamaica . . . . . Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. . . . . Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2781	.2781	—
Brazil. . . . . Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana . . . . . Dollar	1.0138	.9313	.9313	—
Chile . . . . . Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. . . . . Peso	.9733	.6358	.6358	4
Venezuela . . . . . Bolivar	.1930	.3330	.3330	—
Uruguay. . . . . Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5879	.5883	—
South Africa. . . . . Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India . . . . . Rupee	.3650	.3359	.3359	3
Australia . . . . . Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. . . . . Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—



# COMMERCIAL INTELLIGENCE SERVICE

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**



# Commercial Intelligence Journal

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## CONTROL OF TALC IN THE UNITED KINGDOM

A. E. BRYAN, CANADIAN TRADE COMMISSIONER

Liverpool, October 13, 1943.—The British Ministry of Supply, under Regulation 55 of the Defence Regulations 1939, has recently made an Order (Statutory Rules and Orders 1943, No. 960) by which talc, steatite, soapstone and pyrophyllite, whether crude or prepared or in the form of lumps, granules, powder, slabs, sticks or blocks, comes under rigid government control.

The administration of the regulations governing the control of talc has been entrusted to the Chrome Ore, Magnesite and Wolfram Control, Broadway Court, Westminster, London, S.W.1.

In view of the establishment of these new regulations, Canadian talc producers will be interested to know that the Chrome Ore, Magnesite and Wolfram Control is now proceeding to take over all stocks of talc held by merchants and/or importers. The Control has definitely decided that henceforth all imports and purchases from abroad will be on Ministry of Supply account. In other words, the Control will place all future orders for talc and to this end will negotiate direct with the various mines in Canada and elsewhere. However, in the case of any Canadian producer who has for some time past maintained a sole representative in the United Kingdom for the sale of his talc, the Control is prepared to deal with such importer or agent. This proviso will not apply in the case of many Canadian producers who, for the most part, have been making direct shipments to a number of importers. Hence those producers in Canada who have been supplying regularly to this market during the past three years will in future receive their orders direct from the Controller through the medium of the British Ministry of Supply Representative in Washington and/or Ottawa, and all details concerning suppliers of talc in Canada have already

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been placed before the Controller by the firms who have been drawing their supplies from Canada in the past.

Regarding talc already ordered but not yet shipped, the position is that the Control is reviewing these contracts with a view to having importers cancel any such orders that have been placed for material the use of which is not considered essential to the national interest. The balance of these orders, together with all material now afloat for the United Kingdom, will be taken over immediately on arrival by the Control, who will hold all stocks of talc, steatite, soapstone or French chalk, including pyrophyllite, and will ultimately arrange with its own forwarding agents for delivery to those consumers holding a licence to acquire.

As soon as they have decided on a definite program of purchases, the Control will advise the Ministry of War Transport of their shipping requirements for Canadian talc, and will instruct those mines receiving orders to keep in close touch with the local representative in Canada of the Ministry of War Transport to ascertain when shipping space is available.

So much for the mechanics of control. The actual sale and distribution of talc will be handled, as in the past, by those firms formerly importing and handling Canadian talc. For this purpose and by arrangement with the Ministry of Supply, the so-called Talc Importers' Association Limited has been organized and was recently incorporated.

The membership of this Association is, broadly speaking, limited to persons, firms or companies who imported talc (either as principals or as agents) direct from abroad at any time during the six years ending August 31, 1942.

The Association will act as agents for the Control in connection with the supply, purchase, sale and distribution of talc, and to this end may, as occasion requires, act as stevedores, master porters, commission agents, merchants, distributors and manufacturers, or co-operate in any other way with a view to carrying out the instructions of the Control.

The use of imported talc has now been restricted to the most essential requirements only, and consumers requiring talc must apply to the Control for the necessary licence to acquire. After obtaining such licence, consumers are at liberty to purchase their requirements through their usual supplier, who in turn will draw supplies from the Talc Importers' Association. Any supplier receiving an order from a licensed consumer must then apply to the Talc Importers' Association for a release order which will then be sent by the holder to the Controller of the Chrome Ore, Magnesite and Wolfram Control, together with all necessary forwarding and shipping instructions, and thereafter the Controller will see that the required material is delivered to the consumer concerned, either from stock or from the next shipment arriving, as may be expedient.

This procedure, as outlined above, will come into force as and when the Controller acquires sufficient stocks and makes them available to the Talc Importers' Association for distribution at prices which will also be established by the Controller.

For every ton of talc distributed by the Association it will receive a commission of £2. Any merchant or distributor, whether a member of the Association or not, will receive from the Association a cash discount or commission of 7s. 6d. per ton at the time the talc is actually sold. At the end of their financial year the total proceeds from this remuneration received from the Control, less the amount necessary to defray all expenses, including the aforementioned discounts to suppliers, will become available for distribution to members of the Talc Importers' Association on the basis of quotas determined by their "pre-controlled" imports.

Copies of the Statutory Rules and Regulations referred to are on file in the Department of Trade and Commerce, Ottawa, and are available for inspection by interested Canadian firms on application.



**CONDITIONS IN NEWFOUNDLAND IN 1942****R. P. BOWER, ACTING TRADE COMMISSIONER****II. Imports of Interest to Canada**

Following are details of imports of commodities of particular interest to Canada at the present time. In all cases the figures are for the year ending June 30, 1942:

*Oats.*—Out of 413,250 bushels of oats imported into Newfoundland during the year ended June, 1942, 411,140 bushels originated in Canada. Canada's share of the total is considerably larger than it was in pre-war years when this market was shared with Holland, the United Kingdom and the United States.

*Dried Peas.*—Total imports of dried peas amounted to 2,233,500 pounds, of which 378,000 pounds came from Canada. The United States, with 1,650,000 pounds, was the largest supplier. In normal times substantial quantities of dried peas reached Newfoundland from Holland, Belgium and the United Kingdom. Canada's trade in the year under review is about twice what it was in a normal pre-war year.

*Beans and Lentils.*—Total imports of this commodity amounted to 2,900,000 pounds. Of this quantity, 2,634,000 pounds came from Canada. In pre-war years the Dominion was the principal supplier, followed by the United States.

*Wheat Meal and Flour.*—Imports of flour amounted to 497,758 barrels, of which 460,000 barrels, valued at \$2,269,000, originated in Canada. The only other supplier of importance was the United States with 37,700 barrels valued at \$102,000. In pre-war years Canada obtained the bulk of this business, although not so predominantly as in the year under review.

*Oatmeal and Rolled Oats.*—Canada supplied 100 per cent of the oatmeal and rolled oats imported into Newfoundland during the year. This consisted of 1,799,000 pounds valued at \$66,771. In 1937-38 the total imports of this commodity amounted to 1,412,000 pounds, of which Canada supplied one-half. The United States, Holland, and the United Kingdom shared the remainder.

*Cattle and Poultry Feeds.*—Total imports under this heading amounted to 24,848,000 pounds, of which 23,357,126 pounds came from Canada. The United States was the only other supplier of importance. In pre-war years Canada supplied much the same percentage of this trade, although slightly larger shares were obtained by the United States and United Kingdom.

*Live Stock.*—Canada shipped 127 head of swine valued at \$2,672; 3,553 pigs less than three months old, valued at \$22,058; 1,325 cows valued at \$91,000 and 1,068 oxen and bulls valued at \$78,836. As in pre-war years, there were no other suppliers of importance.

*Fresh Meat.*—Imports of fresh meat into Newfoundland during the year amounted to 4,900,400 pounds, of which 4,656,000 pounds valued at \$792,000 came from Canada. The remainder came from the United States. In 1937-38 the total weight of fresh meat imported into Newfoundland was 1,884,000 pounds, or, roughly, 38 per cent of last year's purchases. Fresh meat has always been obtained principally from Canada. At present the demand for fresh meat is high in Newfoundland, partly the result of the increased purchasing power of the people and partly of higher nutritional requirements as a result of increased physical work by many residents employed on defence projects.

*Fresh Liver and Beef Trimmings.*—Imports amounted to 694,200 pounds valued at \$94,375. Canada was the only supplier of importance.

*Poultry and Dead Game.*—Canada supplied 503,700 pounds of poultry out of total imports of 520,970 pounds. Values were \$129,697 and \$132,850 respectively. These totals were about double the pre-war figures.

*Bologna.*—Imports of bologna amounted to 2,057,000 pounds valued at \$260,000. All but a few sample lots originated in Canada. The position was much the same in pre-war years, although the quantities received at that time were little more than half the present requirements.

*Salted Beef.*—Total imports of salted beef amounted to 49,283 barrels of 200 pounds each, valued at \$1,296,000. Of this total, 46,000 barrels valued at \$1,222,600 came from the United States. Canada, with 2,510 barrels valued at \$61,000, was the only other supplier of importance.

Salted beef is one of the leading food products imported into Newfoundland, where the taste for this type of meat has been developed largely because it is a variety which can be kept for considerable periods in districts where there are no refrigeration facilities. Canada has never been an important factor in this business, and in pre-war years the market was supplied largely by imports from the United States, the United Kingdom, Argentina and Brazil contributing larger quantities than Canada.

*Salted Pork.*—Total imports amounted to 25,300 barrels valued at \$555,700. The United States, with 19,000 barrels valued at \$400,000, was the leading supplier, followed by Canada with 6,000 barrels valued at \$154,000. This is much the same percentage of the trade as in pre-war years.

*Hams, Smoked and Cured.*—Out of total imports of 285,182 pounds valued at \$90,000, Canada supplied 241,145 pounds valued at \$77,627, the remainder coming from the United States. The position was much the same in pre-war years, except that the United Kingdom was also a supplier.

*Hams and Tongues, Dry Salted and Pickled.*—Canada supplied 932,000 pounds of this product valued at \$225,000 out of total imports of 1,025,000 pounds, valued at \$250,000.

*Beer, Ale and Porter.*—Total imports of beer amounted to 208,300 gallons, valued at \$220,600; 176,000 gallons valued at \$154,000 came from Canada. The balance originated in the United States and the United Kingdom. In pre-war years this trade amounted to only 14,000 gallons, or only one-fifteenth of the current rate of imports.

*Butter.*—Total imports of butter amounted to 497,000 pounds valued at \$175,600. Of this quantity, 480,600 pounds valued at \$171,500, came from Canada, the remainder originating in the United States.

*Cheese.*—Statistics showed imports of 887,000 pounds of cheese valued at \$227,000. Of this quantity, 819,000 pounds valued at \$207,000 came from Canada, and the remainder from the United States.

*Coffee, Roasted and Ground.*—Total imports of roasted and ground coffee amounted to 284,000 pounds valued at \$110,000, of which 189,000 pounds valued at \$75,813 came from Canada, and the remainder almost entirely from the United States. In pre-war years, imports were considerably smaller, e.g. 94,000 pounds in 1937-38. The bulk of the business was obtained by the United States (56,324 pounds).

*Eggs.*—During the year 515,600 dozen eggs valued at \$185,800 were imported. Of this quantity, 481,600 dozen valued at \$172,500 came from Canada, the remainder originating in the United States. The quantities imported were approximately four times those for 1937-38.

*Apples.*—Newfoundland imported 48,350 barrels of apples valued at \$203,000. Of this quantity, 36,600 barrels valued at \$136,500 came from Canada, and the remainder from the United States. In pre-war years, the United States vied with Canada for the bulk of this business, and it was generally divided about 50 per cent to each country.



*Canned Fruit.*—Imports under this heading were valued at \$200,000. Of this total, \$89,400 was credited to Canada; \$81,000 to the United States, and the remainder to the Straits Settlements and British Malaya. An indication of how this trade has altered is supplied by the 1937-38 statistics, which show that the largest supplier was then the United States, followed by the Straits Settlements. Canada supplied approximately 10 per cent of total purchases.

*Lard and Similar Compounds.*—Total imports were valued at \$67,000, of which \$63,400 is credited to Canada. The value of imports is approximately three times what it was in the last pre-war year.

*Preserved Milk and Cream, and Milk Powders.*—Total imports under this heading amounted to 7,400,000 pounds valued at \$612,700, Canada and the United States sharing this business almost equally between them. Imports were almost double the 1937-38 figure.

*Soups.*—Imports were valued at \$147,000 and came entirely from Canada (\$120,000) and the United States (\$27,000). In 1937-38 the value of imports did not exceed \$45,000.

*Whisky.*—Imports amounted to 40,435 gallons valued at \$235,700, of which 19,700 gallons came from the United Kingdom and 11,500 gallons from Canada. The United States is the only other important supplier. Imports were approximately ten times what they were in the last pre-war years.

*Sugar.*—Imports of sugar amounted to 24,800,000 pounds valued at \$1,106,000. This trade was divided about equally between Canada and the United States. Imports did not show any great increase over pre-war figures.

*Confectionery: 5-cent Bars and Packages.*—Imports under this heading amounted to 2,056,000 pounds valued at \$511,300, of which 1,434,000 pounds valued at \$340,000 came from Canada, 473,000 pounds valued at \$124,000 from the United States, and the remainder from the United Kingdom.

*Chewing Gum.*—Imports were valued at \$78,000, of which \$68,700 is credited to Canada and the remainder to the United States.

*Tea.*—Tea imports amounted to 1,800,000 pounds valued at \$850,000. A total of 1,482,000 pounds valued at \$617,000 came from Ceylon, while 326,000 pounds valued at \$225,000 came from Canada. Canada's trade in tea with Newfoundland has developed rapidly in recent years, largely through the efforts of one Canadian organization that maintains a branch in St. John's. Tea rationing and the form of control adopted in Newfoundland are likely to result in reductions in the volume of this particular firm's trade, although, under the procurement schemes established, Newfoundland will obtain all her tea requirements from Canada.

*Potatoes.*—A total of 214,500 bushels of potatoes valued at \$240,000 were imported, of which 208,000 bushels came from Canada and the remainder from the United States. The volume of this business depends largely on growing conditions in Newfoundland, although in the year under review the imports were heavy because of the preoccupation with defence work of many former growers.

*Canned Vegetables.*—Imports of canned vegetables were valued at \$264,000, of which Canada supplied to a value of \$243,000 and the United States the remainder. Imports under this heading were three times the volume in pre-war years.

*Baking Powder.*—Of the 639,000 pounds of baking powder imported during the year, 536,000 pounds valued at \$89,000 came from Canada. The remainder, valued at \$12,000, came from the United States.

*Coal.*—Newfoundland obtained the bulk of its anthracite coal from the United Kingdom, and in 1942 imported 12,700 tons from that source. Soft coal, however, comes largely from North America, the coal fields about Sydney, Nova Scotia, supplying the largest portion. During the year under review soft coal imports amounted to 281,300 tons, of which 168,400 tons originated in Canada.

*Boards and Planks.*—Canada supplied 1,157,000 board feet of undressed planks and 466,000 board feet of dressed planks. The United States supplied smaller quantities of such lumber, the total imports from all sources amounting to 1,814,568 board feet.

*Wallboard, Etc.*—Imports were valued at \$88,500, of which \$77,500 is credited to Canada and \$11,000 to the United States.

*Gasoline.*—Gasoline imported for use in the fisheries amounted to approximately 3,836,000 gallons, all but 550 gallons originating in Canada. Gasoline for motor fuel came entirely from Canada and amounted to 1,470,000 gallons, or approximately twice the imports in the last pre-war year.

*Kerosene and Illuminating Oils.*—A total of 973,000 gallons of kerosene and illuminating oils were imported, almost entirely from Canada.

*Petroleum, Crude and Fuel Oils.*—Of the 5,880,000 gallons of such oil imported last year, 5,878,000 gallons came from Canada.

*Linseed, and Similar Oils and Thinner.*—Total imports were valued at \$81,600 of which \$60,000 was credited to Canada and \$21,000 to the United States.

*Wire Screen for Pulp and Paper Machines.*—Wire screens for this purpose were imported to the value of \$191,000. Of this quantity Canada supplied to a value of \$134,000 and the United Kingdom the remainder.

*Felts for Paper-making Machines.*—Total imports were valued at \$294,000, shared almost equally by Canada and the United Kingdom. In the last pre-war year the United Kingdom supplied 60 per cent of these felts and Canada 23 per cent. Any gains by Canada have been due to difficulties in obtaining deliveries from the United Kingdom.

*Hay.*—Total imports amounted to 12,373,000 pounds valued at \$111,000, all of which came from Canada. This trade depends largely on the success or failure of the local hay crop.

*Manures and Fertilizers.*—Imports under this heading were valued at \$200,000, of which \$198,000 is credited to Canada. In normal times this trade was worth approximately \$70,000 a year, of which Canada's share was 70 per cent.

*Iron and Steel Pipe.*—Total imports of iron and steel pipes were valued at \$85,000, of which \$56,000 represents Canada's share and \$29,000 that of the United States.

*Stoves, Wood and Coal.*—Total imports under this heading amounted to 1,962 units valued at \$79,500. A total of 1,853 stoves valued at \$74,000 were of Canadian origin.

*Hand Tools.*—Hand tools to the value of \$223,000 were imported, the United States supplying to a value of \$144,000; Canada, \$65,000; and the United Kingdom, \$12,000.

*Cinematograph Films.*—Imports had a value of \$52,000, of which \$47,000 is credited to Canada and the remainder to the United States.

*Electric Transmitting Apparatus, Wires, Cables, Etc.*—Total imports under this heading were valued at \$248,000, of which \$161,000 represents the share of the United States and \$84,000 that of Canada.

*Marine Motors, Engines and Parts.*—There were 345 motors valued at \$205,600 imported under this heading. Of this quantity, 181 motors valued



at \$74,600 came from Canada and 133 valued at \$94,000 from the United States. Canada supplies the bulk of the small engines for dories, while the United States has furnished the majority of the schooner engines of the Diesel type.

*Furniture and Manufactures of Wood.*—Total imports under this heading were valued at \$186,600, of which \$143,000 is credited to Canada and the bulk of the remainder to the United States.

*Cotton Piece-goods.*—Total imports were valued at \$830,600, of which \$670,000 is credited to the United States, \$107,500 to the United Kingdom, and \$54,000 to Canada. Canada's trade was approximately six times what it was in the year ended June 30, 1939. It is questionable whether these figures will be maintained once the United Kingdom is in a position to make normal deliveries.

*Clothing and Oiled and Rubber Suits for Fishermen.*—Canada has always been the leading supplier under this heading, and during the year furnished goods to the value of \$113,000 out of total imports valued at \$127,000.

*Boots, Shoes, Etc., of Rubber.*—Newfoundland is a large per-capita consumer of rubber footwear. During the year under review boots and shoes of rubber were imported to the value of \$408,000, of which \$382,500 is credited to Canada and the remainder to the United States and British India. Imports of long rubber boots for men and youths were valued at \$221,500, of which supplies to a value of \$172,000 originated in Canada and those worth \$49,000 in the United States.

*Boots and Shoes for Women and Children.*—The United States has always been the leading supplier of such footwear to Newfoundland and, during the year supplied to a value of \$195,000 out of total imports worth \$291,000. Canada with \$86,000 was the second most important supplier. The shoe trade in Newfoundland is accustomed to buying up end-of-season merchandise and overruns from United States factories at prices well below those that could be quoted on a regular production basis. It is for this reason that the United States has such a large share of the local leather footwear trade.

*Boots and Shoes, n.e.s.*—Total imports were valued at \$325,000, of which \$214,000 is credited to the United States and \$64,000 to Canada.

*Clothing, Including Gloves and Mitts.*—Canada occupies an important position as a supplier of clothing to Newfoundland and competes with the United States for the bulk of the market. Imports of hats and caps during the year were valued at \$279,999, of which \$144,000 is credited to Canada and \$121,000 to the United States. Of ready-made clothing, the total purchases were valued at \$406,000—\$343,000 worth from the United States and \$62,000 worth from Canada. Canada supplied \$85,600 worth of gloves and mitts to Newfoundland as compared with \$77,000 for the United States, whereas the United States supplied \$166,500 worth of men's and boys' woven undergarments out of total imports of \$264,000, Canada supplying the remainder. Under the heading "clothing not elsewhere specified", total imports were valued at \$2,600,000, of which the United States' share was \$1,300,000 and that of Canada \$1,150,000.

*Non-alcoholic Chemical Preparations and Medicinal Supplies.*—Total imports were valued at \$633,000, of which Canada's share was \$216,000 and that of the United States \$351,000. Canada's share of the total trade was much larger than in pre-war years.

*Paints, Varnishes, Pigments, Etc.*—As in pre-war years, Canada was the leading supplier under this heading. For the twelve months ended June 30, 1942, total imports were valued at \$182,600, one-half of which came from Canada. The remainder was divided equally between the United Kingdom and the United States.

*Paper Manufactures.*—Total imports were valued at \$207,000, of which \$111,000 is credited to the United States and \$88,000 to Canada.

*Motor Vehicles.*—A total of 682 motor vehicles valued at \$576,000 were imported. Of this quantity 376 valued at \$322,000 originated in the United States and 304 valued at \$253,235 in Canada. The United States has always had the bulk of the automobile business in Newfoundland. The tariff provides no preferential rates for Canadian cars and, except in a few cases, it has been cheaper for Newfoundland dealers to obtain their requirements from the United States. After the outbreak of war a large number of second-hand cars came in from Canada, which resulted in the Canadian figures being somewhat larger than is normally the case.

*Parts and Accessories n.e.s. for Motor Vehicles.*—Total imports under this heading were valued at \$242,000, of which \$156,000 is credited to Canada and the bulk of the remainder to the United States.

*Linoleum and Oilcloth.*—Total imports were valued at \$224,000 of which the United Kingdom supplied to a value of \$121,500; the United States, \$54,000; and Canada, \$49,000. The United Kingdom was formerly the largest supplier of this commodity to Newfoundland.

*Soap.*—Due to the acquisition of a Newfoundland soap factory by Canadian interests, Canada's share of the Newfoundland soap trade reached new proportions in the year under review. Out of imports of 2,000,000 pounds of laundry soap valued at \$192,000, 990,000 pounds valued at \$99,000 came from Canada. The United Kingdom, with 970,000 pounds and the United States with 74,000 pounds were the only other suppliers of importance. For the same reason Canada predominated in the toilet-soap section and supplied goods to the value of \$48,000 out of total imports valued at \$77,000.

*Lard, Milk Powder, Etc. imported for the Manufacture of Margarine.*—In addition to the preserved milk imports, there were large purchases of milk powder for use in the manufacture of margarine in Newfoundland. In the Newfoundland statistics such milk powder is not shown separately from products such as lard and other fats used in the manufacture of this product. Total imports of such ingredients were valued at \$488,000, of which \$439,000 is credited to Canada.

*Wire Rods used in the Manufacture of Nails.*—Canada was the only supplier of nail rods, the total value of shipments being \$139,327. Canadian prices of nail rods are more competitive than American and, in addition, deliveries are much more satisfactory.

*Mining Equipment.*—Of the \$106,000 worth of this item imported, \$81,600 is credited to Canada and the remainder to the United States.

## NEW ZEALAND SERVICEMEN'S SETTLEMENT AND LAND SALES ACT

C. B. BIRKETT, ACTING TRADE COMMISSIONER

Auckland, September 22, 1943.—Legislation has been introduced in New Zealand "to provide for the acquisition of land for the settlement of discharged servicemen and to provide for the control of sales and leases of land in order to facilitate the settlement of discharged servicemen; and to prevent undue increases in the prices of land, the undue aggregation of land, and its use for speculative or uneconomic progress; and to provide for incidental matters". It is a comprehensive measure for the stabilization of property values in both town and country, including buildings.



In brief the Act provides that all transactions on and after October 1, 1943, in privately owned land, in either town or country, by sale or lease for not less than three years is to be subject to the jurisdiction of a Land Sales Court and its subsidiary committees. In exceptional circumstances the Minister of Lands is empowered to take any farm land compulsorily for the settlement of servicemen, with the proviso that land of any servicemen at present serving abroad is exempt. So far as urban property is concerned the Act is designed to prevent undue increases in price beyond values ruling on December 15, 1942. Adjustments will be made for any improvement or depreciation in such land since that date.

The administration of the Act falls under several headings as follows:—

#### LAND SALES COURT AND COMMITTEES

A court and committees are to be set up to control all sales of and leases of land, both rural and urban. The court will consist of a Judge of Supreme Court status and two assessors. It will control the activities of the committees and act as a Court of Appeal from their decisions. The committees' function is to fix the basic value of land to be sold or leased or acquired compulsorily by the Crown for settlement of servicemen. There is to be at least one committee in each of the twelve land district capitals.

#### SETTLEMENT OF DISCHARGED SERVICEMEN

The Crown is empowered to take compulsorily any land capable of subdivision into two or more holdings for discharged servicemen, with the proviso that the land of any serviceman serving outside New Zealand is not to be so taken. Objections to taking may be lodged with the court. Claims for compensation are heard by the appropriate committee with the Land Sales Court as a Court of Appeal.

#### • CONTROL OF SALES AND LEASES OF LAND

The Act applies to the following transactions: sale or transfer of any freehold land; the leasing of any land for three years or more; the transfer of any lease with three or more years to run; the granting of an option to purchase any freehold or leasehold.

Gifts of land transfers between trustees and transfers to beneficiaries under wills or trusts are exempt from control.

#### BASIC VALUE

"Basic value" is the limit of the consideration allowed in any transfer of land or any estate or interest in land. It is also the amount of compensation paid if the land is acquired by the Crown compulsorily. "Basic value" is defined as the productive value increased or reduced by such amount as the committee deems necessary to make it a fair value, having regard to several important factors such as the nature and extent of the estate, the interest of the vendor or lessor, etc.

The productive value is arrived at by capitalizing at  $4\frac{1}{2}$  per cent the net annual revenue derivable from the land by an average farmer.

# **AUSTRALIAN BUDGET FOR 1943-44**

K. F. NOBLE, ACTING TRADE COMMISSIONER

(£A1 equals \$3.60 Canadian)

Sydney, September 30, 1943.—The Australian national budget for the year ended June 30, 1944, as introduced by the Commonwealth Treasurer on September 29, provides for an anticipated expenditure of £715,000,000 (\$2,574,000,000), or approximately 58 per cent of the estimated national income of £1,223,000,000 (\$4,402,800,000).

The budget emphasizes no new taxation, either direct or indirect, but, because of taxes approved last March, income taxation this year is expected to yield £45,637,000 (\$164,293,200) more than in 1942-43.

The financial problem that is the basis of the newly announced budget is summarized in the following statement:—

	1942-43 Actual	1943-44 Estimate	Movement
	Millions of Pounds		
Tax revenue . . . . .	230	273	+ 43
Other revenue . . . . .	37	39	+ 2
<b>Total revenue . . . . .</b>	<b>267</b>	<b>312</b>	<b>+ 45</b>
Non-war expenditure . . . . .	108	145	+ 37
Revenue surplus to finance war expenditure ..	159	167	+ 8
War expenditure . . . . .	562	570	+ 8
<b>Total expenditure . . . . .</b>	<b>670</b>	<b>715</b>	<b>+ 45</b>
Finance for deficit—			
Public loans, etc. . . . .	224	300	+ 76
Treasury bills . . . . .	179	103	— 76
<b>Total loans . . . . .</b>	<b>403</b>	<b>403</b>	<b>...</b>

## **ESTIMATED REVENUES**

Federal revenues from all sources are expected to reach £312,000,000 (\$1,123,200,000) during 1943-44, an increase of £45,000,000 over receipts for the previous year.

Income taxation will provide an additional £46,000,000. Sales tax and customs are expected to show a decline in returns of about £7,000,000, while excise revenue will be £2,500,000 larger. A full year's operation of the entertainment tax will yield an additional £1,000,000, while non-taxation revenues will be larger by £2,000,000.

## **ESTIMATED EXPENDITURE OTHER THAN FOR WAR**

Non-war expenditure is estimated at £145,000,000 (\$522,000,000), an increase of £37,000,000 over the 1942-43 figure. The major portion of this increase will be the result of the initiation of payments into the National Welfare Fund, for which £29,750.00 had been earmarked. Expenditure on two social security projects that came into operation in July—increased maternity allowances and funeral benefit for invalid and old-age pensioners—will be met from this fund and will require £2,100,000 and £230,000 respectively.

War pensions for 1914-18 veterans will cost £1,090,000 more than last year, while invalid and old-age pensions will be increased by £807,000 to £23,100,000. Child endowment will cost £12,255,000, an increase of £595,000 over last year, and widows' pensions will be greater than was expected when the original Act was passed, being estimated at £2,780,000, or £421,000 more than the expenditure in 1942-43.



Special grants to South Australia, Western Australia and Tasmania are placed at £2,470,000 as against £2,170,000 in 1942-43.

Sinking fund payments in 1942-43 were £18,000,000, while provision is made for £21,000,000 this year.

The Consolidated Commonwealth revenues will exceed non-war expenditure by £167,000,000.

#### WAR EXPENDITURES

War expenditures are tentatively estimated at £570,000,000 (\$2,052,000,000), or £8,257,000 more than last year, with £500,000,000 of the total allocated for disbursement within the Commonwealth. Of this amount, £167,000,000 can be met from surplus on ordinary account, the remaining £403,000,000 to be financed by loan. It is proposed to raise £300,000,000 by two public subscription loans, but the balance of £103,000,000 is to be met by short-term treasury bills, which were used to the extent of £179,000,000 during 1942-43.

The dairy subsidy, assistance to wheat-growers and apple- and pear-growers, and other expenditures on primary production arising from war needs are estimated at £12,000,000 as compared with £3,000,000 last year. Price stabilization expenditures are estimated at £12,000,000, including £4,500,000 for the tea and potato subsidies.

Offsetting the lend-lease assistance received from the United States is the mounting cost of the reciprocal aid plan under which the £59,000,000 expended within the country on behalf of the United States forces during the past year is expected to reach £100,000,000.

Active pay increases for the forces, which became effective as from July 1, 1943, will involve additional expenditure at the rate of £1,800,000 per annum, while deferred pay granted to members of the women's services will approximate £750,000 per annum.

#### WAR LOANS

Including advance subscriptions, total loan receipts last year amounted to £215,000,000 (\$774,000,000). Two public loans brought £184,000,000 of new money, and an additional £22,000,000 was obtained from refinancing maturing obligations.

Receipts from war savings certificates and stamps totalled £9,000,000, and national savings bonds brought £939,000; £500,000 was received in interest-free loans and gifts.

#### WAR FINANCE

At June 30, 1943, the war had cost £1,107,000,000 (\$3,985,200,000), of which £363,000,000 was raised from taxation, £474,000,000 from loans, £11,000,000 from the temporary use of Treasury funds, and the balance of £259,000,000 by discounting Treasury bills with the Commonwealth Bank.

The proportion of the national income devoted to war expenditure has increased progressively from 6.3 per cent in 1939-40 to 18.3 in 1940-41, 31.9 in 1941-42, 48.9 in 1942-43, and 49.1 per cent (estimated) in 1943-44.

The aggregate debt of the Commonwealth and the states at June 30 was £2,006,000,000, made up of £1,107,000,000 for the Commonwealth and £899,000,000 for the states, the increase of £389,000,000 in the Commonwealth debt resulting entirely from war expenditure.

A loan bill to provide for the borrowing of £200,000,000 for war purposes and to authorize the raising of an equivalent amount of loan moneys to finance war expenditure was introduced in the House of Representatives at the close of the budget address.

## SUMMARY

In support of the budget the Commonwealth Treasurer further reviewed the present manpower position in Australia, whose working population has increased by 620,000 to 3,370,000. Of this group, 1,370,000, or more than 40 per cent, are in the fighting services or in war work, while others are engaged in the production of food and clothing and similar necessary supplies for the Services.

Drastic mobilization of Australia's physical resources was reflected in the increased rate of war expenditure. Whereas the expenditure in August, 1940, amounted to £11,000,000 and to £20,000,000 in the corresponding month in 1941, the total for August of this year was £47,000,000.

Recognition of the acute and growing housing shortage was given with an assurance that the situation must be remedied as soon as war commitments would permit. An announcement of the Government's housing plans later in the year was forecast, as was an interim report on plans for soldier settlement and rural finance reforms.

**ECONOMIC CONDITIONS IN AUSTRALIA IN 1942**

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

**V. Transportation; Automotive Registration**

## TRANSPORTATION

All forms of transport in Australia—coastwise shipping, trains and road transport—have seriously been affected by the war. The diversion of coastwise shipping from the carriage (inter-state) of civil to war goods has compelled traffic which normally went by sea to follow other channels. Since the rationing of gasoline has become increasingly strict, the transportation burden has fallen on the railways. Not only is this particularly true of inter-state traffic, but rationing has also seriously affected the volume of traffic of the states' railway systems. One result of the change is apparent from the reports of the Victorian Government Railways, which show that for the year ending June, 1942, the revenue, at £A14,002,872, was £A2,950,275 higher than in the previous year. Although the traffic was not as high for the last six months of 1942, the revenue for that period of £A8,477,342 was higher than the total for the same period of 1941 by £A1,849,343.

It is obvious that these increases in traffic, coupled with decreases in the number of railway employees brought about by enlistment, if permitted to continue uncontrolled, would result in a serious rail-traffic congestion. Steps were therefore taken before the end of 1941 to empower the Minister of Transport to set up a War Railways Committee to administer the then new National Security (Rail Transport) Regulations. By these regulations control over both rail and road transport was introduced. The scope of the operations of the Committee included the operation of all rail transport services, the establishment of the order of priority for carriage of persons, the ordering of the carriage of any goods in preference to any other goods, and the authorizing of a railway authority to refuse to receive or to carry any goods.

As 1942 advanced it was decided to restrict travel by rail. Towards the end of June it was announced that non-essential inter-state passenger travel would cease as from July 1. From that date inter-state travel was only authorized on presentation of a "priority permit to travel" issued by the Commonwealth Land Transport Board.

On July 21 a further step was taken to "rationalize" still further land transport by motor vehicle or horse-drawn vehicles. At the same time the



acquisition of all motor vehicles, including private vehicles, was provided for in regulations issued by the Land Transport Board. By the middle of August steps had already been taken to rationalize city bus services, and on September 1 all bus services in Melbourne were pooled. It was hoped that the pooling arrangement would result in a saving of 1,130 gallons of gasoline daily.

Throughout the early months of 1942 the Minister of War Organization of Industry had become aware of the extent to which the continued carriage of relatively non-essential commodities was straining available transport facilities. It was discovered that cross-traffic of similar goods was tending to congest Australia's already burdened transport lanes. The Minister, therefore, issued an order prohibiting the inter-state transport by air, rail, road and sea of a large number of commodities. This order came into effect on October 29.

Shortly after gasoline rationing was introduced in Australia, there developed a marked demand for wood charcoal for gas-producer units. Early in 1942 the Minister of Supply decided that the conservation of transport, particularly to save gasoline for the fighting services, should be given attention. As a means of reducing the demand for gasoline by road-users, all those engaged in essential services were required to utilize gas-producer units. It was stipulated that failure to fit a gas-producer unit might entail a 75 per cent reduction in the user's gasoline ration and a lower priority classification, which would have the effect of reducing eligibility for obtaining tires and spare parts. At that time civilian gasoline supplies had already been reduced to 40 per cent of pre-war consumption. One effect of the fitting of gas-producer units to cars and gasoline rationing was the extension by the State of Victoria of a 25 per cent reduction in motor registration fees to owners whose gasoline ration was below twenty-five gallons per annum. The Premier of Victoria estimated that this concession would result in the revenue of the state being reduced by £A300,000 annually.

However, by March, 1942, the Minister of War Organization of Industry found that the production of gas-producer units was more than meeting the demand and that the supply of rubber tires was becoming seriously reduced. The Minister therefore decided to modify the former policy of the Minister of Supply, whereby the fitment of gas-producer units was compulsory. In fact, it was announced that the manufacture of gas-producer units, except under permit, would be prohibited. It was reported also that for many months gas producers had been fitted to cars and trucks at the rate of 1,100 per month in a limited range of priorities. It was found, however, that vehicles fitted with gas-producer units were particularly hard on tires owing to the additional weight of the units and the disturbance of balance when running.

On July 21 the Minister of Land Transport announced that the sale of any motor vehicle fitted with a gas-producer unit, except to a motor dealer, was prohibited from that date unless by permit from a Director of Emergency of Road Transport, who was also empowered to prohibit trading in vehicles to which gas-producer units had not been fitted.

During 1942 research by many public and private bodies for the purpose of developing gasoline substitutes continued. The production of power alcohol in wineries and distilleries received further attention, and a start was made with the Commonwealth Government's plans to manufacture power alcohol from wheat.

As a wartime economic measure, Pool Petroleum Proprietary Limited, a company formed and subscribed to by all the operating oil companies at the request of the Commonwealth Government, was established. This organization was to be the sole distributing agent within the Commonwealth for motor spirit, lighting kerosene, power kerosene, Diesel oil, fuel oil and distillate, and gas oils. It was considered that such an organization would be able to utilize the

available tankage space to the best advantage and would effect the greatest flexibility in achieving complete co-ordination of distribution services and ensure conservation of manpower. By this arrangement each company was required to sacrifice its individual marketing interests and brand names for the duration of the war in order to facilitate the services for defence requirements and to comply with government policy with respect to rationalization of transport and economy of manpower. Each company supplied its quota of personnel, depots, vehicles, drums, pumps and other equipment.

The pool came into operation on August 15, 1942, on which date individual companies discontinued marketing the above-mentioned products under their own brands. Pooling arrangements did not affect aviation spirit, lubricating oils, fuel oil for ocean-going ships, and a few other specialized lines. Motor spirit is sold by the new company from pumps branded "pool petrol".

#### AUTOMOTIVE REGISTRATIONS

In Australia, where cars and trucks are registered annually, the effect of these restrictions is apparent in the marked decline in the numbers of units kept in service. In Victoria alone the number of motor vehicles de-registered between 1940 and the end of 1942 totalled 31,132. The drop in 1942 was 8,179, indicating that the reduction of 25 per cent in registration fees of cars using less than 25 gallons of gasoline annually had some effect in checking the decline. The total number of automotive vehicles registered in the State of Victoria in 1942 was 209,352 as compared with 217,531 in 1941 and 240,484 in 1940. Comparable statistics for the entire Commonwealth are as follows:—

#### *Motor-car Registrations*

	Cars	Commercial Vehicles	Motor-cycles	Total
1938 . . . . .	579,851	224,201	79,907	883,959
1939 . . . . .	597,211	229,391	76,648	903,250
1940 . . . . .	586,614	230,387	74,247	891,248
1941 . . . . .	526,983	228,942	61,164	817,089
1942 . . . . .	494,712	217,080	47,960	759,752

From the foregoing it might be assumed that the demand for automotive equipment in Australia had declined. However, this would be an incorrect assumption, since, owing to the cessation of manufacture and import, except for vehicles for essential and service use, there has been an increasing demand both for cars and trucks. The demand for cars derives from the joint effect of higher and maintaining wages and the necessity for transportation by munition workers and others. It must be borne in mind also that there has been a tendency to build homes remote from shopping centres because of the reliability placed on motor vehicles, which enabled the owners to reach shopping centres, etc. The use of vehicles in such circumstances has become practically imperative, and the present ration of petrol for private cars will enable them to be driven approximately fifty miles in the month. As a result, the demand for second-hand or used cars at the end of 1942 was becoming acute.

This situation was anticipated by the Commonwealth Prices Commissioner, and in November maximum price levels were fixed in an effort to halt the tendency of traders to offer inflated prices for second-hand cars on account of the increasing demand. The maximum prices were based on percentages of the original retail selling price. Sample sales prices are as follows: for a car up to one year old, 90 per cent; from one to two years, 85 per cent; three to four years, 75 per cent; six to seven years, 50 per cent.



During 1942 an increasing number of orders was issued by State Directors of Emergency Transport to conserve automotive equipment, to save wear and tear on the roads, and to conserve stocks of tires and gasoline. Regulations were issued also to govern the distance automotive vehicles, both passenger and freight, could operate from place of registration.

The necessity for strict control of rubber had for some time prior to 1942 been engaging the attention of many government departments. In April, 1942, steps were taken by the Department of Supply and Shipping to place all industries engaged in the manufacture of that product on a full wartime footing. The use of rubber for many purposes was prohibited, and the products in which it was required were subsequently strictly controlled as to type, sale and distribution.

As in many other countries affected by a shortage of rubber, so also in Australia consideration was given the possibility of remedying the situation. Plans for growing rubber or substitutes such as guayule were investigated. At the same time an intensive campaign was begun to induce Australians to save waste rubber. A successful salvage campaign resulted in the wide use of reclaimed rubber.

#### SUMMARY

The year 1942 was a noteworthy one in the industrial history of Australia. The contribution of Australian industry to the common war effort of the United Nations justifies the efforts made to establish basic industries before the outbreak of hostilities in 1939. It has been recorded that 700 new industries were established in the Commonwealth since 1938, while a great many and widely varied industries have begun operations since the outbreak of the war. Many of these new industries undoubtedly were the result of wartime necessity, but during 1942 a great deal of attention was already being given to the practicability or desirability of maintaining them after the cessation of hostilities. One important matter that has received a great deal of consideration during 1942 is the desirability, or otherwise, of decentralizing industry. Also under consideration was the dispersal of industries within the more industrial states, and the necessity or otherwise, of establishing industries in states, such as Tasmania and Western Australia, which had not been industrialized before the war to the same extent as more populous states.

Western Australia had, in fact, in 1941 established a War Industries Committee, which recommended the subsequent establishment of an Industry Expansion Commission. This Commission would inquire into projects that previously had impressed the members of the first Committee. Its object would be to determine whether basic industries in Western Australia should be assisted in their development. Included in such schemes were the development of a charcoal iron industry; the extraction of sulphate of potash, alunite and sulphur; and the development of steel shipbuilding.

Since the outbreak of the war, up to the end of 1942, industrial development in Western Australia included flax and linseed industries, tomato processing, fish and meat canning, while a remarkable expansion in those industries capable of manufacturing defence requirements was reported.

In Tasmania a great deal of discussion took place during 1942 regarding the possible production of aluminium, utilizing Tasmanian hydro-electric power and Australian bauxite. Some exploratory work was done on the production of oil from Tasmanian shale, while an electric process of producing iron from Tasmanian iron ores was also investigated. The mines of Tasmania produce a wide variety of minerals and ores. Copper mining has long been a stable industry of the island state but, with the stimulus of war, a revival of tin

mining has resulted, with increasing attention being given to the production of such metals as magnesium and manganese.

On the mainland industrial development followed natural lines. For example, the future of a plastic industry now seems to be assured as plants for the manufacture of essential raw materials for this important industry entered the commercial field. The successful production of many essential drugs and medicines was also achieved during 1942.

At the end of the year there were 31.1 per cent more people engaged in secondary industry in Australia than at the same time in 1941. At the end of 1942 a total of 1,867,000 persons were gainfully employed, of whom 583,000 were women. This number does not include those engaged in rural or domestic work. The actual number employed in factories at the end of December, 1942, was 710,600, an increase of 168,000, or 31.1 per cent more than at the end of 1938. It is noteworthy that the number of persons employed in retail establishments in the Commonwealth declined from 162,247 at the end of 1941 to 139,853 at the end of 1942. Of the latter total, 61,587 were men and 78,266 were women.

Towards the end of the year those in close touch with industrial development and progress in Australia, became aware of indications of unbalanced production, particularly in war materials. As the year closed considerable attention was being given the necessity for the reconversion of both industrial plants and manpower. This important problem will afford in its solution a basis for consideration that should be of inestimable value in the future when the larger problems of post-war reconstruction have to be faced, problems requiring a complete re-orientation of industry and the wholesale transfer from one task to another of thousands of dis-employed workers and demobilized veterans. The importance of this problem was appreciated in the Commonwealth of Australia during the closing months of 1942.

## **AGRICULTURAL NOTES FROM ARGENTINA**

W. B. McCULLOUGH, ASSISTANT COMMERCIAL ATTACHÉ

### **Export Permits**

Buenos Aires, October 4, 1943.—An executive decree issued on August 21 requires export permits for shipments from Argentina of olive oil, grape-seed oil, olives, oil cake, and all residues manufactured from olive oil.

An executive decree of August 21 requires an export permit for alfalfa hay. Due to the drought, the stock was reduced and the normal supply adversely affected. Last January alfalfa hay was selling at 45 pesos per metric ton at shipping point, which was about 60 per cent above the price prevailing last year.

### **Export Surpluses of Wheat and Flaxseed**

The export surplus of wheat and flaxseed as of September 25 were 3,601,854 metric tons and 619,124 tons respectively.

During July the exports of flaxseed totalled 167,661 metric tons. This figure is greater by 14,070 tons than the total for the first six months of 1943 and represents 53 per cent of the volume shipped during 1942. The United States was the principal market.

### **Tobacco Contract between Argentina and Spain**

On September 30 a full cargo of Argentine tobacco, amounting to 2,369 metric tons, was shipped to Spain. This shipment is in accordance with a barter arrangement between Argentina and Spain whereby the former would



exchange wheat and tobacco for Spanish iron and two destroyers. The contract called for 2,969 tons of native tobacco from the 1940-41 crop. The current shipment is made up of 1,640 tons of the "criollo" (native) missions and 729 tons of criollo corrientes; the remaining 600 tons will be of the criollo corrientes type.

Comparative figures of Argentine tobacco exports are as follows: 1918, 2,530 tons; 1924, 2,031 tons; 1937, 35.5 tons; 1942, 159 tons.

### Palermo Live-stock Show, 1943

The thriving condition of the Argentine cattle industry was reflected in a very successful annual live-stock show, held at Palermo, in the city of Buenos Aires, during August. This was the 57th annual and the 12th international exposition. Entries of all classes of live stock were higher than in previous years.

Total live-stock sales this year at the auctions following the show amounted to 4,894,871 pesos as compared with 4,347,592 pesos last year and 1,715,640 pesos in 1939. These figures do not include sales made privately. The cattle show is practically confined to bulls, and only bulls are sold at the auction. The highest price of the show, 55,000 pesos, was paid for the Aberdeen-Angus grand champion bull, followed by 50,000 pesos for the Shorthorn grand champion and 42,000 pesos for the Hereford grand champion. The predominant interest is traditionally in the beef breeds. The grand champion Holand-Argentina (Holstein) sold for 10,000 pesos.

Comparative figures of live-stock sales are shown in the following table:—

#### Argentine Live-stock Sales

	1943	1942	1939
	Figures in Argentine Pesos		
Cattle . . . . .	3,477,500	3,164,870	1,219,745
Sheep . . . . .	970,755	800,295	323,540
Horses . . . . .	284,950	211,000	111,400
Donkeys . . . . .	3,200	3,000	1,600
Pigs . . . . .	122,195	139,020	39,025
Poultry . . . . .	36,195	29,407	20,330
Total . . . . .	4,894,795	4,347,592	1,715,640

### Sheep Prices in Patagonia

The Department of Agriculture announced that for the 1943 production the following prices at the yard for sheep (dressed) have been established and agreed upon by C.A.P., Swift's and Armour's frigorificos.

#### Patagonian Sheep Prices

	Pesos
Lambs, frozen—	
1st quality, light . . . . .	0. 69
1st quality, heavy; 2nd quality . . . . .	0. 67
Wethers, frozen—	
Light . . . . .	0. 39
Heavy . . . . .	0. 34
Ewes, frozen—	
Light . . . . .	0. 31
Heavy . . . . .	0.285
"Digestor"—	
Lambs . . . . .	0. 15
Wethers, ewes . . . . .	0. 11

These prices are from 2, 5 and 7 centavos per kilo according to classification, higher than 1942 quotations, and are the basic prices for all frigorificos in Patagonia.

### Port Inspection Figures

According to the port inspection figures of the Division of Sanidad de Vegetal for the month of July, 7,987,272 kilos of vegetable products were imported and 37,587,998 kilos of fruit, vegetable and grain products were exported.

The items imported include: bananas, 3,417,417 kilos; coffee, 1,911,825 kilos; and oranges, 915,000 kilos. Among the items exported are: grain and cereals, 24,636,902 kilos; seed potatoes, 3,926,960 kilos; grapes, 1,165,897 kilos; apples, 1,107,620 kilos.

During July 1,623,266 kilos of various products were disinfected at the fumigation plant in Buenos Aires, including: cotton fibre, 506,057 kilos for Cuba; tobacco, 186,100 kilos for Spain; straw, 78,405 kilos for South Africa and Chile.

### BRITISH TRADE WITH EGYPT

*From the British Export Gazette*

With a membership of over 660 and an energetic and able Council of practical business men with a close knowledge of the market and its requirements, the Anglo-Egyptian Chamber of Commerce is one of the leading and most influential institutions of its kind. The Honorary President is His Excellency Dr. Hassan Nachat Pasha, the Egyptian Ambassador in London, and his review of trade prospects in Egypt, given at the recent annual meeting of the Chamber held in London, is deserving of close study.

"Those whose business lies in Anglo-Egyptian trade," he said, "have passed through a most anxious and difficult time in the past year. Here perhaps it is right that I should pay a tribute to our members and Anglo-Egyptian traders generally, for the spirit in which they have accepted the various restrictions on their activities. They have realized that it was necessary to sacrifice much to win the war. If the war was lost, everything was lost. We in the Council of the Chamber known how great these sacrifices have been in many cases, and we have sympathized with them, and as far as we could, tried to alleviate their difficulties. We can now fully hope that their patience and their restraint are going to meet with their reward not only in a return of pre-war trade but a very big expansion. There will be, I can assure you," the Ambassador went on, "a big demand from Egypt for manufactured goods of all kinds. The Egyptian Government is already seriously considering post-war trade, and has set up Committees, composed of business men and economists, as well as civil servants, to study the question. The Government has large schemes of development in mind; there will be a large demand for renewals of machinery, including agricultural machinery, such as tractors, of which there is at present a serious shortage. Stocks of all kinds will have to be replenished. Finally, there are the funds in Egypt for proceeding with all these operations. May I call your notice too, to the declared intention of my Government to encourage the minor agricultural industries, such as dairying and poultry. Here there is likely to be a field for dairying machinery, incubators and the like. We only await the availability of supplies and the shipping to carry them. What can British manufacturers do to seize this opportunity? Happily, the quality of British goods is well-known in Egypt, and good trading relations have existed for so many years that the necessary confidence between buyer and seller is well established. In general, I think it is important that the British manufacturers should constantly maintain the closest connection with the Egyptian market, so that they can provide what the Egyptian buyer wants, and not what they think he ought to want. And it must not be forgotten that the needs of Egypt are constantly



increasing with the development of the country. They must be well represented on the spot by reliable, active and intelligent agents familiar with Egyptian needs and methods. And finally they must be able to sell at competitive prices. This does not mean that they must sell cheaper goods than their competitors, but that where their products are priced more highly than others, they must be able to convince the Egyptian buyer that the extra money will be well spent—in the durability of the goods, their efficiency and their special suitability for the work the buyer wants them for. There, too, is seen the importance of good representation in Egypt, and the manufacturers here can assist their representatives by supplying them with adequate information on their products, particularly of results obtained under authoritative tests. It would, in fact, often be well worth while in some cases to send out demonstration machines and a capable man to handle them to give visible proof of what they can do. While we are on the subject of machinery, we must not overlook the importance of depots well stocked with spare parts, so that repairs and renewals can be dealt with in the minimum of time. These are suggestions I put forward, speaking about my own country and with the experience both of a landowner and an industrialist.

"With regard to Egypt's exports," His Excellency continued, "I expect that these for several years after the war will play a very important part in world economy. You know that cotton cultivation has been drastically reduced and replaced by the growing of foodstuffs. It is a great testimony, I venture to say, to Egypt that she has been able to make this radical change with so little disturbance of her economy, and without the excessive shortages of the essentials of life that have marked war conditions in some other eastern countries. For this we are in part indebted to the British and American shipping authorities, who have co-operated with the Egyptian Government in deciding on and supplying our vital needs. Great Britain, too, lent us wheat in the early days of the transformation of our agriculture, and assisted in buying our cotton. But in a great measure the ease of the great transformation in our economy has been due to the fertility of our soil, which produces cereals or cotton with equal facility, and to the adaptability of our farmers. When, and to what extent, we shall return to cotton as the main product of our soil will depend on world conditions after the war. If the world requires Egyptian cotton, Egypt will be able to supply it. But you will not have failed to notice that Egypt was represented at the recent Food Conference at Hot Springs, in America. If this indicates the intention of the Egyptian Government to take her part in international schemes for feeding the world after the war, Egypt can well do what is asked of her, provided she can obtain adequate supplies of fertilizers. Cereals, sugar, vegetables, fruit—all may be looked for from her productive soil; but in the Anglo-Egyptian Chamber of Commerce we hope that many of these products will recommend themselves to British buyers, so that in the normal years to come, Egyptian tomatoes, let us say, and Egyptian fruit may be as well known here as Egyptian onions have been for many years.

"I know that some concern is often felt by members at the idea that private trading is to be replaced by Government trading on a large scale", the Ambassador went on. "I personally do not share that concern. War conditions have necessitated not only Governmental control of private trade but also Governmental purchases of many of the necessities of life. We realize that such an extensive system cannot be suddenly abolished after the war without producing chaos in world markets. But Egyptian business is highly individualist; and I look for a gradual return to full private trading in Egypt when peace returns.

"I remain as confident as ever of the future of Anglo-Egyptian trade", concluded the President, "and I look forward to this Chamber playing a great part in fostering it."

## TARIFF CHANGES AND TRADE REGULATIONS

## New Zealand Import Control Regulations for 1944

C. B. BIRKETT, ACTING TRADE COMMISSIONER

Auckland, September 16, 1943.—The schedule of New Zealand import control regulations for the eighth period (the year 1944) has been published. It contains no fundamental change in the basis upon which import licences have been granted for the seventh period. Owing to the necessity to program requirements and to make some goods the subject of bulked government orders, an additional number of items have been included in the "M.S." category, which is to say they are for procurement by the Ministry of Supply, and licences will not be granted to private traders. Prominent in this respect are medical and surgical supplies.

It is now necessary that all applicants for licences to import goods from the United States furnish complete information as to quantities and specific classes of goods desired. Similar information is required respecting goods included in category "C" (for which applications are considered individually in relation to actual requirements) to be imported from countries other than the United States.

In respect of textiles of cotton, rayon and wool, all applications for licences to import must specify requirements in pounds weight and in square yards for each type of goods. The quantity (pounds and square yards) of such goods imported by the applicant in 1942 must also be furnished. This procedure has been adopted in order to conform to the stipulations of the authorities in the United Kingdom and the United States. It is also for the purpose of ensuring that the types of goods required to meet the needs of the community within the rationing and stabilization policy are being procured.

As in previous years, seventh-period licences have been extended and made valid for imports until June 30, 1944.

A statement follows showing the changes effected in the eighth-period schedule as compared with the seventh-period schedule in items of interest to Canadian exporters.

Item	7th Period 1943	8th Period 1944
Ex 101 Cream of tartar substitutes . . . . .	100% of 1942	M.S.
120(3) Vitamins, vitamin concentrates and mixtures of such substances (excluding wheat germ oil) ..	C	M.S.
Ex 121(1) Medicinal preparations (except wines) containing 50 per cent proof spirit or less; medicinal pre- parations n.e.i. and drugs n.e.i. (excluding effe- rescing saline preparations and cod liver oil emulsions) . . . . .	50% of 1942	M.S.
134(2) Surgical and dental instruments . . . . .	50% of 1940	M.S.
Ex 134(3) Surgeons', physicians', and dentists' materials (ex- cluding cotton wool) . . . . .	50% of 1940	M.S.
159(2) Linoleum, cork carpets and rubber flooring . . .	75% of 1941 from British Countries	C
264 Watches . . . . .	150% of 1940}	150% of 1938
Wristlet watches for forces . . . . .	300% of 1940}	
269 Cardboard, pasteboard, of size not less than 20 by 15 inches . . . . .	C	M.S.
Ex 295 True vegetable parchment, unprinted . . . . .	C	M.S.
299 Fruit wrapping paper . . . . .	C	M.S.
300(2) (b) Paper, n.e.i. in sheets of size not less than 20 by 15 inches . . . . .	C	U.K., C; others, M.S.



Item	7th Period 1943	8th Period 1944
300(2) (d) Paper n.e.i. in rolls n.e.i. . . . .	C	U.K., C; others, M.S.
Ex 310(1) Bolts and bolt ends, up to 24 inches in length, including insulator bolts n.e.i., nuts, blank or screwed; metal threaded screws; set-screws, engineers' studs, taper pins and split pins; rivets and washers, other than washers wholly of rubber . . . . .	C	U. K. and Australia, C; others, M.S.
Ex 310(1) Screws for wood . . . . .	C	U. K. and Australia, C; others, M.S.
313 Chain and chains, metal . . . . .	C	U.S., M.S.; others, C
Ex 332 Adding and computing machines and instruments; accounting and bookkeeping machines; com- bined adding and typing machines . . . . .	C	U.S., M.S.; others, C
Ex 333(1) Spare parts of cultivators, harrows, ploughs, drills, seed and fertilizer sowers or distributors, combined or separate, lime sowers, seed or grain cleaners, and cellular seed or grain separators . . . . .	C	U.S., M.S.; others, C
Ex 333(2) Spare parts of agricultural implements and machinery n.e.i. . . . .	C	Australia, C; others, M.S.
Ex 333(2) Agricultural implements and machinery, n.e.i. .	C	Australia, C; others, M.S.
Ex 334(2) (b) Dairying machinery n.e.i. . . . .	C	U. K. and Australia, C; others, M.S.
Ex 338(1) (a) Machinery or appliances n.e.i. peculiar to the generation of electricity, to the transformation of pressures of electric currents, or to the con- version of one type of electric current to an- other; electric motors; slide rails for electric generators or electric motors . . . . .	C	U. K. and Australia, C; others, M.S.
Ex 338(4) Electric appliances n.e.i. peculiar to electroplat- ing, electro-chemistry, electro-metallurgy, tele- graphy, telephony; electrical vacuum tubes not suitable for purposes of illumination . . . . .	C	U.S., M.S.; others, C
338(8) Sparking plugs for oil engines . . . . .	C	U.K., C; others, M.S.
Ex 353(3) Electric hot-plates for glass coffee brewers . . .	No allocation	100% of 1938
356(3) Builders' and cabinetmakers' hardware . . . . .	Canada and U.S., M.S.; other British, 50% of 1940	Canada and U.S., M.S.; other British, 50% of 1941
376(1) Wire netting, metal wove wire . . . . .	C	M.S.
Ex 389(c) Spare parts for motor vehicles n.e.i. . . . .	C	U.K., C; others, M.S.
396(1) Cod liver oil . . . . .	C	M.S.
Ex 397(7) Paints and colours, dry, n.e.i.; barytes . . . . .	C	U.S., M.S.; others, C
409 Handles, wooden, for tools n.e.i. . . . .	Canada, U.S. and U.K., 300% of 1940 from all sources	C
414(1) Veneers and plywood . . . . .	No allocation	C
Ex 449(2) Asbestos . . . . .	100% of 1940	C

Importations into New Zealand of essential or critical items may be said to be largely conditioned by export control in the countries of supply. Apart from goods and materials secured on lend-lease from the United States, those obtainable from sterling countries are given first consideration. For those included in category "C" that are in essential demand and are unobtainable or in short supply from sterling countries, licences are readily granted for the most part for import from Canada. For these licences it is usual that evidence is first demanded that the goods required can be exported. This applies to such as textile piece-goods, cod liver oil, agricultural machinery, metals and metal products, etc.

### FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING NOV. 1, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, November 1, 1943, and for the week ending Monday, October 25, 1943, with the official bank rate:—

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Oct. 25	Nominal Quotations in Montreal Week ending Nov. 1	Official Bank Rate
Great Britain. . . . .	Pound	4.8666			
		Buying	\$4.4300	\$4.4300	2
		Selling	4.4700	4.4700	—
United States. . . . .	Dollar	1.0000			
		Buying	1.1000	1.1000	1
		Selling	1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2284	.2284	4
Jamaica . . . . .	Pound	4.8666			
		Bid	4.4200	4.4200	—
		Offer	4.4800	4.4800	—
Other British West Indies. . . . .	Dollar	1.0138	.9313	.9313	—
Argentina. . . . .	Peso (Paper)	.4245			
		Official	.3304	.3304	3½
		Free	.2781	.2764	—
Brazil. . . . .	Cruzeiro (Paper)	.1196			
		Official	.0673	.0673	—
		Free	.0569	.0569	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
		Official	.0574	.0574	3-4½
		Export	.0444	.0444	—
Colombia. . . . .	Peso	.9733	.6358	.6358	4
Venezuela . . . . .	Bolivar	.1930	.3330	.3330	—
Uruguay. . . . .	Peso	1.0342			
		Controlled	.7307	.7307	—
		Uncontrolled	.5883	.5885	—
South Africa. . . . .	Pound	4.8666			
		Bid	4.3862	4.3862	3
		Offer	4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
		Bid	4.5380	4.5380	—
		Offer	4.5906	4.5906	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Australia . . . . .	Pound	4.8666			
		Bid	3.5300	3.5300	3
		Offer	3.5760	3.5760	—
New Zealand. . . . .	Pound	4.8666			
		Bid	3.5440	3.5440	1½
		Offer	3.5940	3.5940	—



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**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.



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## MARKET CONDITIONS FOR CANADIAN BARYTES IN THE UNITED KINGDOM

A. E. BRYAN, CANADIAN TRADE COMMISSIONER

### I. Production and Uses

Liverpool, October 8, 1943.—Barytes is a heavy, vitreous mineral composed of barium sulphate crystallizing in the orthorhombic system. It is sometimes referred to as sulphate of barytes, and this name is often loosely but incorrectly used to include the mineral "witherite", sometimes known as carbonate of barytes. The reason for this confusion is that the two minerals are often mined together, but they are not always put to the same use.

Barytes is frequently found as well developed crystals that vary considerably in appearance and characteristics. They possess a perfect cleavage parallel to the base, and perpendicular to this are two prismatic cleavages parallel to the faces of the primitive rhombic prism and inclined to one another at an angle of  $78^{\circ} 22\frac{1}{2}'$ . With these three directions of perfect cleavage, massive barytes sometimes has a certain resemblance to calcite, their hardnesses being about the same. However, the angles between the cleavages are different and, further, barytes may be readily distinguished from calcite by its heaviness (specific gravity 4.5) and from both calcite and witherite by the fact that it does not effervesce when treated with acid. The massive material is often white and opaque, but the crystals are sometimes transparent and colourless or have a brownish, greenish, or bluish shade of colour.

Barytes is often found in veins, sometimes in association with ores of lead. In England some of the old lead mines in the North and also in the counties of

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Derbyshire and Shropshire are now being worked for barytes, while in the coal measures at New Brancepeth Colliery, near Durham, there is a remarkable vein of barytes consisting of a pure-white massive material of a thickness varying from a few inches to sixteen feet. In West Cumberland attractive crystallized specimens are abundant in the haematite mines but, owing to the brown or yellow colour of this material, it is of no commercial value. In the County of Cork, Ireland, there is mined a pure-white granular Barytes resembling marble in appearance.

Germany has always been considered the largest producer of high-grade barytes. In the Hartz Mountains, near Cassell, there are heavy deposits of almost pure barytes which before the war was marketed by a combine known as the Baryte Kontor. In the United States barytes is found in twenty different states, but in only eleven of these can production be regarded as of any commercial importance.

Since the outbreak of war, two promising deposits of barytes have been developed in Canada, and samples received in the United Kingdom from both these mines have been found satisfactory for certain uses and have aroused considerable interest in connection with post-war business. One of these developments is in British Columbia and the other in Nova Scotia.

Other countries that formerly supplied barytes to the United Kingdom were, in addition to those already mentioned, Italy, Belgium, France, Spain, Greece, Yugoslavia, and Algeria.

The subjoined figures, published by the United States Bureau of Mines, show the world production of barium minerals (including barytes) for the five years prior to the outbreak of war in 1939 and are indicative of the competition that Canadian producers of barytes must expect when peace is restored:—

#### *World Production of Barium Minerals*

	1934	1935	1936	1937	1938
		Figures in Metric Tons			
Algeria . . . . .	.....	.....	.....	2,137	3,069
Australia . . . . .	2,532	2,584	2,192	3,153	3,231
Austria . . . . .	1,025	797	1,663	855	373
Cuba . . . . .	.....	.....	.....	3,849	.....
Chosen . . . . .	5,935	11,027	5,113	8,400	*
France . . . . .	18,350	16,860	22,100	19,864	*
Germany . . . . .	354,868	347,242	423,012	451,535	480,607
Great Britain . . . . .	75,182	79,382	74,240	74,484	77,543
Greece . . . . .	7,853	23,091	31,335	39,343	34,700
India (British) . . . . .	3,874	5,580	5,196	15,941	8,205
Italy . . . . .	32,408	41,150	36,671	45,202	48,169
Southern Rhodesia . . . . .	14	.....	.....	.....	91
Russia . . . . .	74,800	*	*	*	*
South Africa . . . . .	.....	627	583	570	491
Spain . . . . .	17,528	*	*	*	*
United States (sales) . . . . .	190,374	214,197	256,879	322,857	280,922

\* Figures not available.

It will be noted that Canada is not included among producers of barytes listed above, since Canadian deposits were not developed commercially until 1940. Prior to 1940 Canada had always been an importer of barytes to the extent of about 2,000 long tons per annum, the main sources of supply being the United States, Germany, the United Kingdom, and Italy.

#### TREATMENT OF BARYTES

The usual process employed in preparing barytes for the market is to coarsely crush and hand-pick the ore. When mixed with rock and dirt, the crushed ore is then separated by an agitation process in water. Coloured impurities are sometimes removed by steam boiling with sulphuric acid.



The purified material is then kiln-dried and reduced to very fine white powder in a ball-mill provided with screens or between millstones. The barytes powder so prepared still consists of minute crystalline particles, which give the "tooth" or adhesive properties to the coarser barytes paints.

The finer qualities (blanc fixe) are prepared from precipitated barium sulphate and, besides their use in making paint, they are used for dressing cloth and leather and for producing the smooth coating on art papers.

The chemical formula for barytes (barium sulphate, natural) is  $\text{BaSO}_4$ . The higher the barium content the greater is the value of the ore, and for all purposes this is the essential element required.

#### PRODUCTION OF BARYTES IN THE UNITED KINGDOM

As will be observed from the foregoing figures of world production, the mines in Great Britain produced from 75,000 to 80,000 tons of barytes (both crude and ground) a year before the outbreak of war. In more recent years, owing to the shortage of shipping space and the difficulties of obtaining barytes from abroad, the British barytes industry has made great efforts to meet all requirements, with the result that the total output of the mines has reached approximately 85,000 tons of crude ore per annum, which is an increase of 28,000 tons as compared with the quantity mined in 1938. The figures of production as shown by the Department of Mines report for 1938 and the first six months of 1939 were as follows:—

##### *United Kingdom Production of Barytes*

	Crude*	Ground	Total
	Tons	Tons	Tons
1938 . . . . .	57,279	19,060	76,339
1939 (Jan.-June) . . . . .	32,335	10,877	43,212

\* The figures under "crude" include natural barium carbonate (witherite), which probably amounted to 8,000 tons per annum.

In the United Kingdom there are about twenty companies producing barytes, of which five account for some 80 per cent of the total output. The largest mine has a capacity of 1,500 to 2,000 tons a month, while four other companies produce from 600 to 1,000 tons a month. By far the largest proportion of this barytes is in the form of crude ore and is used in the manufacture of lithopone; in fact two of the largest mines are owned by lithopone manufacturers. The remainder is ground and resold to the paint, chemical, and other trades.

#### ASSOCIATION OF PRODUCERS

Until 1941 the barytes industry in the United Kingdom was not organized and had no representative body to look after its interests. About two years ago the producers formed the British Barytes Producers Association, with headquarters at 166 Piccadilly, London, W.1. This organization will look after the interests of British producers of barytes during and after the war, including the unofficial control of the product between producers and third parties. During its first year Mr. L. P. O'Brien, a Director of the well-known chemical manufacturing firm of B. LaPorte Ltd., was chairman of the association.

#### CONSUMPTION IN THE UNITED KINGDOM

The normal requirements of barytes in the United Kingdom before the war were from 110,000 to 120,000 tons per year. Taking into consideration domestic

production of 80,000 tons, from 30,000 to 40,000 tons must be obtained from abroad. About one-third of this imported barytes was in the form of crude ore, and two-thirds was ground or powdered.

Imports of barytes into the United Kingdom for the five years 1935 to 1937, by countries of origin, were as follows:—

*United Kingdom Imports of Crude Barytes*

	1935	1936 Figures in Tons	1937
Germany . . . . .	19,448	21,466	19,686
Netherlands . . . . .	....	10,202	9,850
Spain . . . . .	5,267	501	....
Other foreign countries . . . . .	3,900	701	543
Total . . . . .	28,615	32,870	30,079

No later figures of imports by countries of supply are available, but total imports in 1938 amounted to 13,910 tons, and for the period January to August of 1939 they were 13,632 tons. While no figures are available for imports of powdered barytes in previous years, in 1938 the imports of powder amounted to 25,943 tons valued at £93,688, while for the first eight months of 1939 the amount imported was 18,017 tons valued at £61,662.

#### MAIN USES FOR BARYTES

Barytes, because of its low absorption qualities, is used principally for the manufacture of paints, mainly white paints, but also as an inert body in making coloured paints. It is also used largely in the manufacture or compounding of lithopone, which consists of barium sulphate (70 per cent) mixed with zinc oxide (30 per cent). Barium sulphide and carbonate are also prepared from barytes by roasting it with coal, and from these products barium chloride and barium hydroxide, etc. are obtained. Barytes is also used as a filler in the paper, textile, and rubber industries.

There are a number of other miscellaneous uses for barytes in its various forms. It is employed for making bitumen filling and emulsions for fire-proofing building floors, particularly spark-proof flooring. It is also used in making printing inks, crayons, sealing wax, etc. One of the most important uses for barytes is as a sludge in the oil wells, and Canadian barytes has already proven most efficacious for this purpose in Trinidad and other South American production areas.

Chemical manufacturers are usually large consumers of barytes, mainly for its derivatives:—

*Barium binoxide* is used by pressed-brick manufacturers to neutralize the sulphate content, and also by rubber-manufacturers for the same purpose.

*Barium chloride* is employed as a mordant by dry-colour makers, also in the tanning of leather and the manufacture of battery plates.

*Barium nitrate* is used in the manufacture of munitions and for making "red-fire" material.

*Precipitated barium sulphate* or, as it is more commonly known, "blanc fixe" is used by rubber-manufacturers and also in special paint for the interior of battleships and sea-going vessels in general. It is often used as a detector in the taking of interior X-ray photographs of the human body.



## AUSTRALIAN FOOD PRODUCTION PROGRAM

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, September 24, 1943.—It was recently announced that a far-reaching active approach to the urgent problems of the Australian food front had been outlined. This would involve considerable releases of manpower, a revival of the manufacture in Australia of agricultural and dairy implements, and substantial increases in dairy and vegetable production. A marked expansion in the flour export trade was expected, which, with the provision of the extra manpower necessary for flour-milling, should incidentally provide the needed additional supplies of poultry and stock feeds.

To facilitate the examination of the many problems involved, it was decided to centralize all the sections of the new Commonwealth Food Control Organization in Melbourne. These, including the staff of the Controller-General of Food, Defence Foodstuffs, Civil Food Supplies and Dehydration, and the Directorate of Agriculture, now located in Canberra, are expected to be installed in their new quarters at Melbourne before the end of August.

Already a Commonwealth Agricultural Planning Committee has been set up and has held its first meeting. The committee comprises the Controller-General of Food, a member of the Council of Scientific and Industrial Research, the Director-General of Agriculture, a representative of the Director-General of Manpower, and the Agricultural Advisor to the Department of Commerce, as well as representatives of the agricultural directorate of the United States Army. At the first meeting the committee discussed the many problems associated with increased vegetable production, as well as dairying and egg production.

The expected demands of the various fighting forces for 1944 had already been carefully estimated. The forecast made to the food control organization indicates the necessity for careful long-range planning. The estimated requirements in milk only are 1,300,000,000 gallons. This will be needed to supply the demands of the civilian population and the fighting services based in Australia, and to maintain exports to Great Britain of butter, cheese, and condensed and dried milk.

The present forecast of milk production for all purposes is not much over 1,000,000,000 gallons. The solution planned requires the release of manpower, which may be obtained from the fighting forces or diverted from munitions production.

It has been reported also that arrangements have been completed to ensure supplies of superphosphate by increasing imports of phosphate rock.

The Commonwealth Food Controller has also stated that the egg production for the season now beginning is estimated at 100,000,000 dozen as compared with 81,000,000 dozen for last season. It is hoped that as many as 200,000,000 dozen will be produced, all of which could be handled, principally in dried form. A marked increase in chicken hatcheries was therefore planned for the current season, and a further increase is contemplated for 1944. If successful, an experiment to be carried out with a view to having two hatching seasons in one year will yield interesting results.

The Controller-General of Food has also indicated that the usual close contact is being maintained with the Departments of Agriculture in the various states of the Commonwealth. Already the states have been given full particulars of their respective vegetable "targets" for 1944. These are based largely on the results of 1943, additional consideration being given to increases now estimated to be necessary. In the study of these problems consideration was given to such factors as the production of vegetables at suitable price levels in order to induce growers to increase their production; adequate manpower, plant

and machinery; fertilizers and insecticides; and a satisfactory organization for marketing and disposal.

A further development of the comprehensive canning and dehydration program will provide outlets for increased production. It is expected that the increased production of suitable vegetables, over and above the capacity of the canning and dehydration plants, would be readily absorbed by the great demand of the civil population for foods to replace those that might temporarily be in short supply.

The Minister for War Organization of Industry recently stated that the combined and maintained effect of the continued shortage of manpower and other resources and of the neglect of improvements and of pest and vermin control were being felt. Never had the demand for foodstuffs been so great, but since the Prime Minister's announcement that there was "no longer fear of invasion", the demand for foodstuffs and the position of rural industries could be approached from a new angle. For example, the Minister stated, some of the plants hitherto engaged on munitions had been switched to the manufacture of agricultural machinery. However, the most difficult problem to be solved, according to the Minister, was the deplorable condition of the transport system, which greatly accentuated distribution problems.

#### FOOD CONTROL REGULATIONS

The authority under which the Minister of Commerce and Agriculture and the Controller-General of Food operate is designated National Security Regulations Statutory Rules 1943, No. 165. These regulations are known as the National Security (Food Control) Regulations. The regulations were designed "to ensure, for purposes of the defence of the Commonwealth and the effectual prosecution of the war, that adequate provision of food, foodstuffs, fertilizers and fodder is made and maintained, and to that end to set up an authority to control the growing, production, manufacture, processing, distribution, disposal, use and consumption of food, foodstuffs, fertilizers and fodder."

It is explained that the term "fodder" includes food for live stock, produced from crops that are grown and harvested, such as hay, grain or roots or green crops for ensilage.

The word "food" is understood to include (a) every commodity used for food or drink by man (other than drugs and water); (b) any commodity that ordinarily enters into or is used in the composition or preparation of human food; and (c) flavouring matters, spices and condiments; "foodstuffs" has a corresponding meaning. "The Controller-General" means the Controller-General of Food appointed under these regulations.

#### GROUP FARMING

The production plans of the Controller-General of Food will generally be implemented by the State Ministers of Agriculture, while the goals for production as laid down are distributed on a state, regional and farm basis. To ensure that the most effective use shall be made of available manpower and equipment, the formation of co-operative groups of farmers is to be encouraged.

These volunteer or co-operative groups would comprise eight to twelve farmers, who would elect "leaders" to be responsible for compiling information essential to the operation of the scheme. A leader would be compensated with labour from the group for time occupied in administering group business. One rule of the co-operative plan is that the farmer would be prepared to make his machinery available to a fellow member when he was not using it himself. While sharing the use of farm machinery generally will be obligatory only on farmers accepting the co-operative group system, a farmer desiring to purchase



"controlled" implements, such as tractors, internal combustion engines, rotary hoes, shearing machines, cream-separators, power spray or irrigation outfits and windmills, must state whether he would be prepared to use the equipment in co-operation with other farmers if this is considered desirable by his local War Agricultural Committee. This condition has been imposed on account of the extremely short supply of the equipment mentioned. The War Agricultural Committee normally would comprise three producers' representatives chosen from persons nominated by the producers' organization or the shire council, a representative of the townspeople, and a government officer or leading local resident who would act as chairman.

The Controller-General of Food has made available copies of the "rules" which will guide the operations of the co-operative groups. Copy of these rules, as well as of Statutory Rules No. 165, referred to above, is available for inspection on applications to the Department of Commerce, Ottawa (quote file No. 24341).

## CONDITIONS IN NEWFOUNDLAND IN 1942

R. P. BOWER, ACTING TRADE COMMISSIONER

### III. Exports; Trade Outlook

In addition to imports in general in the year ending June 30, 1942, referred to in preceding sections of this report, the Newfoundland customs figures show separately importations by certain industrial organizations in the Island, such as the paper companies and the large mining interests, who have been given special customs concessions. During the year ended June 30, 1942, Canada supplied important quantities of materials to the Anglo-Newfoundland Development Company Limited, which operates paper mills at Grand Falls; Bowater's Pulp and Paper Company Limited, operating the paper mills at Corner Brook; the Buchans Mining Company Limited, of Buchans, large producers of lead; the Dominion Steel and Coal Corporation, operating the ore mines at Bell Island; the Riverside Woollen Mills Limited, on the Avalon Peninsula, manufacturers of blankets and other woollen materials; the United Towns Electric Company Limited, which supplies electric power to many areas in Newfoundland; the Canadian Marconi Company; International Radio Telephone; the American-Newfoundland Fluorspar Company Limited, St. Lawrence; the Newfoundland Light and Power Company Limited; the Newfoundland Government Railway and Pan-American Airways; and the British Admiralty for the construction of certain wooden vessels in Newfoundland waters. The aggregate of these accounts is substantial, and Canada's share is quite satisfactory. In addition the Newfoundland Government purchased in the year under review goods from Canada to the value of \$235,000 as compared with imports for the same account from the United States valued at \$231,000 and from the United Kingdom valued at \$116,000. Imports by parcel post during the year were valued at \$525,000, \$290,000 being credited to Canada, \$159,000 to the United States, and \$74,000 to the United Kingdom.

The largest single item shown in the statistics was "articles for the army and navy". The total value under this heading was \$19,473,000, of which Canada's share was \$15,316,000 and that of the United States \$4,000,000.

### EXPORTS

Exports, including re-exports, from Newfoundland in the year ending June 30, 1942, were valued at \$39,399,640 compared with \$37,329,815 for the year before. The adverse trade balance was therefore \$15,165,250. When invisible

payments are taken into account, however, the balance is substantially in Newfoundland's favour. The payment of wages by the United States and Canadian Governments to Newfoundlanders during the year would alone provide a substantial credit balance of international payments.

The United States was the principal purchaser of Newfoundland's products during the year, taking goods to the value of \$15,868,000. Other purchasers, in order of importance, were: the United Kingdom, \$7,062,000; Canada, \$5,550,000; Portugal, \$3,774,000; foreign West Indies, \$1,575,000; Spain, \$1,396,000; Argentine, \$1,173,000; and the British West Indies, \$1,036,000.

The war has shifted the United Kingdom from its position as leading buyer of Newfoundland goods. In 1938-39 that country was the largest buyer, followed by the United States, Canada, Holland, Belgium, Germany, Portugal, the British West Indies, and Italy. The value of Newfoundland exports in 1937-38 was not appreciably smaller than for the year under review. This is in marked contrast with Canada's export trade, which has increased substantially since the beginning of the war.

The principal exports from Newfoundland in 1941-42, in the order of their importance, were as follows:—

#### *Principal Exports from Newfoundland*

Local manufactures, including pulp and paper . . . . .	\$16,000,000
Products of the fisheries . . . . .	12,656,000
Products of the mines . . . . .	7,312,000
Products of the forests . . . . .	827,000
Local miscellaneous products . . . . .	405,000
Products of agriculture . . . . .	32,000

The following table shows the principal exports to Canada for the year ended June 20, 1942:—

#### *Chief Exports to Canada from Newfoundland*

	Quantity	Value
	Lb.	
Codfish, fresh . . . . .	834,501	\$ 17,327
Cod fillets, fresh . . . . .	2,735,112	173,801
Lobsters, live . . . . .	1,002,020	134,156
Salmon, fresh . . . . .	1,930,040	220,827
Salmon, pickled . . . . .	426,640	35,293
Berries lignon (partridge) . . . . .	354,049	26,085
	Bbl.	
Herring, dressed . . . . .	4,731	34,490
Herring, Scotch-cure . . . . .	3,365	35,202
	Qtl.	
Codfish, dried . . . . .	9,135	68,857
Codfish, salt, bulk . . . . .	20,594	88,462
	Gal.	
Oil, cod, refined . . . . .	45,772	122,079
Oil, seal . . . . .	255,610	110,632
Oil, whale . . . . .	103,895	69,972
	No.	
Seal skins, undressed . . . . .	33,170	64,665
	Ton	
Iron ore . . . . .	724,030	1,846,277
Fluorspar . . . . .	16,390	251,825
Limestone . . . . .	378,000	378,000
Articles, wholly or mainly manufactured . . . . .	.....	1,481,361

#### TRADE

It is unlikely that the import trade of Newfoundland will exceed that of 1942 for many years to come. Not only were the defence works nearing completion at the end of the year, but shortages were appearing in the supplying countries, and Newfoundland merchants were finding it increasingly difficult to



obtain their requirements. The heavy volume of imports in 1942, particularly of foodstuffs, was due in a large measure to a decline in local production, the result of farmers, or part-time farmers, leaving the land to work on the construction of bases. The return of these men to the land should be reflected in increased domestic production of foods and a corresponding decline in the demand for certain imports. Shipments from Canada will be reduced eventually in conformity with the general decline, although until the war ends the Dominion's percentage of the total trade should remain constant or perhaps increase. The percentages of Newfoundland's import trade credited to Canada and the United States in recent years were as follows:—

*Percentage Shares of Newfoundland Imports*

	1937-38	1938-39	1939-40	1940-41	1941-42
Canada . . . . .	35	37	38	52	60
United States . . . . .	33	31	37	34	32

Newfoundland's trade problem for the duration of the war will be to import enough goods to meet the country's demands. Purchasing power, while likely to be lower than in 1942, will still be well above average, and the people, having tasted the fruits of prosperity, will not be satisfied to revert to former living standards. These conditions will result in a change in the type of demand, with consumers showing more interest in quality and less in price. Salt beef, a staple foodstuff when times were hard, yields place to fresh meat when money is plentiful. Similarly, pound goods in the textile stores give place to yard goods. To project the 1942 import volume into the post-war period would require business and employment conditions akin to those of 1942, a situation most unlikely of realization. All the prosperity of recent years has done little to add to the productive capacity of the island; the fisheries, the pulp and paper industries and mining are still subject to world market conditions. While the same conditions affect the outlook of all exporting countries, the number in which the economic base is as narrow as in Newfoundland is relatively small.

Canada will not be able to maintain her position as a supplier of 60 per cent of Newfoundland's needs when the war is over and European countries again compete in export markets. Some of the connections developed through wartime conditions will remain however, and it is probable that Canada will have no difficulty in maintaining its pre-war position.

## UNITED STATES CEILING PRICES FOR LIVE CATTLE

W. D. WALLACE, OFFICE OF THE CANADIAN TRADE COMMISSIONER

New York, November 1, 1943.—The Office of Economic Stabilization has issued a directive placing an informal ceiling and floor on prices which cattle growers may obtain for live cattle and also establishing a new subsidy plan. The price control phase of the program is to become effective December 1, while the special payment will go into effect on November 1. Packers will be penalized through deductions from their government payments if they pay more or less for live cattle than the high or low market prices set by the Office of Economic Stabilization.

The directive is designed to enable slaughterers who do not engage in the processing of beef—a group made up principally of small enterprises whose markets have been adversely affected under existing regulations—to continue in business. In addition it is to provide a more economical and effective allocation of present payments to all slaughterers by increasing the amounts paid for certain grades of live cattle and reducing them for others.

PRICES

The following top market prices at Chicago are established, with the floor for each grade to be \$1 below the ceiling level, and are to become effective December 1:—

*Maximum Prices at Chicago*

Grade	Per Cwt.
Choice . . . . .	\$16.00
Good . . . . .	15.25
Medium . . . . .	13.00
Common . . . . .	11.00
Cutter and canner . . . . .	8.45
Bologna bulls . . . . .	8.45

Prices have been so determined as to return to cattle producers approximately current prices. At these prices, and at those prevailing in recent months, the relationship between the live-cattle prices and the value of the carcass and its unprocessed by-products has varied considerably for different grades. These prices in some respects increase this variance. They have been so determined as to ensure the continuance of essential feeding. Hence a spread of \$3 per cwt. between the top prices for medium and for choice cattle has been provided for, and one of \$4.25 between the prices of common and good.

The Price Administrator and the War Food Administration are to determine, publish and certify to Defense Supplies Corporation, the prices for live cattle at points other than Chicago, which are in line with the Chicago prices.

SUBSIDY PENALTY

In order to induce packers to remain within the new range of prices when buying cattle, the Office of Economic Stabilization is using a penalizing method, which is to take effect December 1. Under this plan there shall be deducted from live-stock slaughter payments hereafter made to any slaughterer under Regulation No. 3 of Defense Supplies Corporation (Live Stock Slaughter Payments) the net amount, if any, by which the total of the prices paid by such slaughterer for all live cattle purchased during the month, for which the payments are made, either fell short of the total amount he would have paid at the lower applicable prices or exceeded the total amount he would have paid at the higher prices as set forth in the directive.

SLAUGHTER PAYMENTS

The subsidy payment heretofore made has been in the amount of \$1.10 per cwt. for live cattle, irrespective of grade. The new directive provides for modified payments that vary according to grade. The live-stock slaughter payments, effective December 1, shall be computed on a grade basis as follows:—

*Live-stock Slaughter Payments*

Grade	Per Cwt.
Choice . . . . .	\$1.00
Good . . . . .	1.45
Medium . . . . .	0.90
Common . . . . .	0.50
Cutter and canner . . . . .	0.50
Bologna bull . . . . .	0.50

Live-stock slaughter payments made to slaughterers whose beef carcasses are not graded by an official grader of the Food Distribution Administration shall remain unchanged.

SPECIAL PAYMENT

The new directive provides for a special payment of 80 cents per live cwt. to non-processing slaughterers, who are defined as "slaughterers who during the



year 1942, or a representative part thereof, sold and who currently sell 98 per cent or more of the total dressed carcass weight of cattle slaughtered by them in the form of carcass, wholesale cuts, frozen boneless beef (army specifications) (carcass equivalent) or ground beef shall be paid in addition to the payments authorized by Regulation No. 3 of Defense Supplies Corporation (Live Stock Slaughter Payments), the amount of 80 cents per cwt. of cattle slaughtered during the month for which such payments are made." The funds for the special payments will be provided as a result of economies effected in the new subsidy payment program.

#### SYSTEM OF ALLOCATIONS

The directive issued by the Office of Economic Stabilization requires the War Food Administration to develop a system of allocation of live cattle to slaughterers and feeders that is adequate to maintain an equitable distribution of available supplies.

The success of the program in keeping cattle prices within the desired range will tend at certain times to create intense demand among slaughterers for the available supply. By use of the system of allocations, it is hoped to prevent either a breakdown of the program or maladjustments in the movement of cattle to individual slaughterers or feeders or to various parts of the country.

#### CEILING PRICES FOR FURS IN THE UNITED STATES

W. D. WALLACE, OFFICE OF THE CANADIAN TRADE COMMISSIONER

New York, November 3, 1943.—The Office of Price Administration has announced that a maximum price regulation for raw fur skins and dressed and dyed furs will be issued about November 15. Some preliminary dollars-and-cents ceiling prices were announced for raw fur skins and dressed Alaska seal skins.

Among the new ceiling prices for domestic and foreign raw fur skins are the following:—

#### *Prices for Raw Fur Skins*

Domestic Type	Maximum Price Per Skin	Foreign Type	Maximum Price Per Skin
Beaver . . . . .	\$ 46.00	Nutria . . . . .	\$ 7.50
Civet cats . . . . .	1.40	Opossum . . . . .	0.30
Muskrats, northern, large . . . . .	2.80	Pony skins . . . . .	7.00
Muskrats, southern, tops . . . . .	1.90	Afghanistan lamb . . . . .	17.50
Opossum . . . . .	1.10	Russian lamb . . . . .	17.50
Raccoon, heavy . . . . .	11.00	Russian cross foxes . . . . .	22.50
Red foxes, Alaska . . . . .	20.00	Russian black fitch . . . . .	7.30
Squirrels . . . . .	0.40	Russian white fitch . . . . .	5.00
White foxes, Arctic Canadian . . . . .	46.00	Russian kolinsky . . . . .	10.00
Wolf, Canadian and Montana . . . . .	16.00	Russian marmots . . . . .	4.25
Timber wolf, Canadian . . . . .	35.00	Russian muskrats . . . . .	2.25
Otter . . . . .	22.50	Russian pony . . . . .	4.15
Marten, Canadian . . . . .	110.00	Russian ermine . . . . .	4.00
Silver fox . . . . .	125.00	Russian white foxes . . . . .	46.00
Mink . . . . .	32.00	Russian wolves . . . . .	21.00
Fisher . . . . .	125.00	Russian stone marten . . . . .	44.00
Gray foxes . . . . .	3.35		

The prices for Alaska seal skins are as follows: Black dressed and dyed top, \$41; Matari dressed and dyed top, \$54; Safari dressed and dyed top, \$51.

As the maximum prices will apply to top-quality raw fur skins, skins of poorer quality are expected to find their levels below the maximum, but when the order is issued it may be necessary to provide for reasonable differentials in grade.

The Office of Price Administration has also announced that the maximum prices for dressed and dyed furs will probably be the sum of the raw-fur prices, the actual expense of dressing and dyeing, additional transportation costs and a reasonable tolerance for spoilage and shrinkage.

As soon as the new maximum price regulation is available, a detailed report will be prepared for publication in the *Commercial Intelligence Journal*.

## FOREIGN TRADE OF URUGUAY IN 1942

J. C. DEPOCAS, ASSISTANT COMMERCIAL ATTACHÉ

(Values are in United States dollars)

Buenos Aires, October 7, 1943.—There are few commodities upon which Uruguay can depend as sources of foreign exchange to pay for imports of essential materials. Under normal conditions, however, the trade year closes with a favourable balance that is sometimes, as in 1941, large enough to ensure a favourable balance of international payments also.

Owing to the reduced sales of wool, 1942 was one of the rare exceptions. During the first nine months of the year the balance was favourable, but, owing to a slight expansion in the value of imports during October and a 50 per cent drop in the value of exports as compared with September, the balance of trade became unfavourable. It will be reversed as soon as the United States takes delivery of the wool contracted for in the United States-Uruguay wool agreement.

Exports from Uruguay in 1942 were valued at \$57,772,624 as against \$70,845,591 in 1941 a decrease of \$13,070,967, or 18·5 per cent, while imports remained at approximately the same level, \$63,661,820 as against \$63,135,333. The trade for the two years was as shown below:—

### Comparative Uruguayan Trade Figures

	Exports	Imports	Balance
1941 . . . . .	\$70,845,591	\$63,135,333	+\$7,710,258
1942 . . . . .	57,774,624	63,661,820	— 5,887,196
Difference . . . . .	—\$13,070,967	+\$ 526,487	

### EXPORT TRADE BY COMMODITIES

The difference between the values of the exports, which is nearly equal to the difference between the balances of trade, for the two years is also almost equal to the difference in the wool purchases by the United States in those years. In 1941 wool exports were 44,000 tons with a value of \$29 million and in 1942 they totalled 18,000 tons with a value of \$17 million. There were declines also in the exports of all the other usual items, but in all cases the unit price was higher, as for wool, and the decreases in returns were not proportionate to the decreases in volume.

Uruguay exports only a few other commodities, none of importance however, even though the statistics show that they represent 92 per cent of the volume of exports in 1942 and 86 per cent in 1941. This high ratio is due to the exportation during 1942 of 1,304,000 tons of sand to Argentina for a value of \$668,000. Among agricultural products, linseed is the only one of importance, exports amounting to 83,524 tons with a value of \$2,348,847 in 1941 and 35,177 tons with a value of \$1,801,655 in 1942.

The following table shows for 1941 and 1942 the volumes, values, and unit export prices of meat and meat products and the percentage variation in the volumes and unit prices:—



*Uruguayan Exports of Meats and Animal Products*

	M. Tons	1941		M. Tons	1942		Inc. (+) or Dec. (—) Per Cent	
		\$1,000	Av. Price		\$1,000	Av. Price	Vol.	Av. Price
Wool, raw . . . . .	35,892	22,089	615	9,985	7,436	736	— 73	+ 19
Wool, washed . . . . .	8,172	7,174	878	8,984	9,426	1,049	+ 10	+ 12
Meat, beef . . . . .	85,794	19,744	230	*61,383	17,514	285	— 28	+ 24
Hides, cattle, salted . .	22,145	5,845	264	22,281	6,955	314	+ 0.6	+ 19
By-products, cattle . .	24,657	2,785	113	10,013	2,349	235	— 59	+107
Hides, dry, sheep . . .	5,034	1,361	270	2,532	914	361	— 49	+ 34
Meat, mutton . . . . .	6,432	1,321	206	5,839	1,458	250	— 9	+ 21
Offals, beef . . . . .	2,896	691	239	1,832	394	215	— 36	— 10
Hides, dry, cattle . . .	2,593	651	251	2,338	716	306	— 10	+ 22
Dried meat . . . . .	1,503	291	194	654	161	246	— 56	+ 27
Meat, pork . . . . .	1,108	233	210	20	8	375	— 98	+ 79
Hides, dry, sheep . . .	550	173	313	38	16	413	— 93	+ 32
Casings, cattle . . . .	745	123	165	246	43	176	— 67	+ 7
Horsehair . . . . .	132	95	718	194	258	1,332	+ 47	+ 86
Offals, hair . . . . .	178	46	258	478	124	260	+168	+ 1
Offals, pork . . . . .	30	6	215	13	3	217	— 57	+ 1
Casings, sheep . . . .	30	15	486	20	31	1,526	— 67	+214
By-products, pork . . .	81	6	79	27	56	206	— 67	+163
Total . . . . .	197,972	62,849		126,877	47,812			
P.c. of total exports	14	89		8	83			

\* Boned.

## EXPORT TRADE BY COUNTRIES

In 1942 the United States was first in importance among countries purchasing Uruguayan products, both in respect of volume and value, but not by so wide a margin as in 1941. In the latter year its purchases amounted to \$36 million, or 51 per cent of total exports, and in 1942 its share was \$25 million, or 44 per cent. Among the products bought by the United States the most important is wool, which accounted for \$11.8 million, or 70 per cent of all wool exports; canned meats, \$4.4 million; salted cattle hides, \$4.4 million, horsehair, \$3.8 million; dry cattle hides and linseed, \$1.5 million each.

The United Kingdom is in second place among purchasers with \$18 million, or 31 per cent of the total, which amount includes \$7.1 million for chilled beef, \$3.5 million for canned beef, \$2.6 million for salted cattle hides, \$1.1 million for frozen mutton, and \$1 million for prepared meats. The remaining \$2.7 million represents offals, meat extracts, casings, etc. The United Kingdom does not buy wool or any agricultural products from Uruguay.

Sweden is next in importance as a purchaser with \$6.4 million, or 11 per cent of total export values. Sweden buys mainly wool—\$4.4 million or 26 per cent of the wool exports, wool thread and combed wool to a value of \$1 million, and \$600,000 worth of salted hides.

South Africa's purchases totalled \$1.8 million, while those of two neighbouring countries, Brazil and Argentina, amounted to \$1.6 million each. South Africa purchases mostly canned meats, and Argentina takes sand (\$668,000) and wool thread.

## IMPORTS BY COMMODITIES

Uruguay, without any forests of importance, without mines, and with an industry still in the development stage, must import almost everything it requires to maintain its standard of living, encourage new industries, avoid an unemployment problem, and remain an exporting nation. It is just as vital to Uruguay's economy to be able to buy abroad as it is to sell. For the home industry Uruguay imported in 1942 a total of 2,630 tons of cotton thread valued at \$2,801,016; tinplate, 13,585 tons at \$2,062,801; jute, 4,652 tons at \$1,557,690; raw sugar, 25,945 tons at \$1,396,620; also tobacco, raw coffee, woodpulp, iron and steel shapes, aniline, rubber, caustic soda, artificial silk thread, and newsprint.

A second group of imports includes fuels, oils and lubricants. Imports were valued at \$11,192,000 as against \$14,000,000 in 1941. It was possible to import only 150,000 tons of coal and 308,000 tons of fuel oil as against 454,000 tons and 556,000 tons respectively in 1941.

The foodstuffs group showed an increase in import value from \$4,302,604 in 1941 to \$7,300,000, this figure including 34,599 tons of refined sugar valued at \$2,597,338, 18,270 tons of maté at \$1,516,813, \$500,000 worth of table potatoes, and quantities of salt, tea, apples, coffee and cacao.

#### IMPORTS BY COUNTRIES

The United States continued as the leading supplier to Uruguay with 30 per cent of the total imports, followed by Brazil (fourth in 1941) with 16 per cent, the United Kingdom with 13 per cent, and Argentina with 12 per cent. Others, in order of importance were: Ecuador, British Possessions, Peru, the Netherlands and its colonies, Venezuela, Sweden, and Canada.

In 1942 the United States supplied some 300 articles with a total value of \$20,069,145, among which the most important are: tinplate, \$2,062,801; cotton thread, \$1,451,411; coal, \$1,000,000; automobiles, \$705,000; cotton fabric, \$668,000; artificial silk fabric, \$602,000; steel shapes, \$422,000; machine parts, \$405,670; and machinery, \$368,000. The balance of trade in favour of Uruguay was \$5,000,000.

The main imports from Brazil, with a total value of \$9,963,116, were: cotton fabric, \$2,293,918; yerba maté, \$1,514,374; lumber, \$1,090,000; cotton thread, \$976,387; refined sugar, \$974,232; coffee, \$430,000; tobacco, \$322,000; raw sugar, \$298,387; and coal, \$233,211. The balance of trade favoured Brazil to the extent of \$8,300,000.

Imports from the United Kingdom dropped from \$11,941,778 in 1941 to \$8,340,898, the leading items being: coal, \$1,213,000; cotton fabric, \$1,000,000; threads of other fibres, \$1,000,000; woollen cloth, \$491,000; caustic soda, \$203,060; bathroom supplies, \$207,000; soda ash, \$189,000; the remaining value being divided among some 100 articles. The balance of trade in favour of Uruguay was \$9,690,000.

Imports from Argentina did not show any change, the values being \$6,581,000 in 1941 and \$6,522,000 in 1942. They comprised mostly foodstuffs and agricultural products such as refined sugar, \$529,000; table potatoes, \$497,000; maize, \$293,000; seed potatoes, \$274,000; salt, \$279,000; oil seeds, \$209,000; fuels, \$592,000; firewood, \$201,000; and quebracho extract, \$186,000. The trade balance favoured Argentina to the amount of \$5,000,000.

Ecuador shipped fuel oil to a value of \$2,405,000 out of total imports valued at \$2,438,000. The trade balance in favour of Ecuador was \$2,400,000. Imports from British India, valued at \$1,684,000 out of a total of \$1,883,000, represented jute. There was a trade balance for British India of \$1,872,000. Peru supplied raw sugar worth \$1,098,000 and refined sugar worth \$553,000 from a total import value of \$1,674,000; the trade balance for Peru was \$1,640,000. Venezuela shipped fuel oil to a value of \$2,558,000 out of a total of \$2,621,000; the trade balance for Venezuela was \$2,329,000. The Dutch West Indies are credited with fuel oil worth \$1,748,000 out of a total import value of \$1,800,000; the trade balance for Dutch West Indies was \$1,785,000.

Imports from Sweden showed a slight increase—from \$1,244,000 in 1941 to \$1,489,604, being made up of 3,010 tons of wood-pulp valued at \$314,516; printing paper, \$190,000; electric meters, \$127,000; horseshoe nails, \$102,000; motors, \$185,000; cardboard, \$92,000; and boilers and turbines, \$82,000. The trade balance favoured Uruguay to the extent of \$4,956,000.



## TRADE WITH CANADA

According to Uruguayan statistics, imports from Canada were valued at \$1,313,022; the value of exports to the Dominion was \$243,927, and there was a balance of trade in favour of Canada amounting to \$1,069,095.

Exports to Canada consisted of canned meats, \$227,899; dry sheep hides, \$11,110; and wool, \$4,893.

Imports from the Dominion included 7,102 tons of newsprint valued at \$582,376 out of the total imports of this item of 7,616 tons valued at \$641,728; the remainder was made up of 408 tons valued at \$49,767 from the United States, and 105 tons valued at \$9,585 from Sweden. Other items supplied by Canada were: seed potatoes, \$220,415; printing paper, \$118,168; apples, \$94,801; farm machinery, \$74,454; window glass, \$34,859; carbide, \$23,144; whisky, \$19,681; wood-pulp, \$16,867, ferro-alloys, \$17,213; asbestos \$14,599; electric meters, \$13,029; codfish, \$11,285; and wallpaper, \$10,941.

## ECONOMIC CONDITIONS IN COLOMBIA, JANUARY-JUNE

M. T. STEWART, ACTING TRADE COMMISSIONER

Bogota, October 25, 1943.—The turn of the half-year found business conditions comparatively quiet in Colombia, and the speculative activity so apparent throughout the first half of 1943 had completely subsided. July, August and September are the between-crop months in this country and merchandise sales have tended to move slowly. The improved shipping situation and consequently the greatly increased volume of imports have removed most of the anxiety regarding the supply position, and in some lines stocks are excessive. There are, of course, shortages of certain imported lines where strategic materials are required and there is evidence of inefficient distribution methods, but the situation is improving rapidly and stocks of domestic products are ample. The war news, favourable to the Allied cause, has had some effect, and new orders are being placed with considerable caution. Thus the speculative element, which has been large, have found themselves in an uneasy position, and prices have broken away from their recent upward trend and for some commodities have fallen sharply.

It is noteworthy that from September, 1942, to and including February, 1943, the maritime transport quota assigned to Colombia by the War Shipping Administration was 6,200 tons a month. Since February last the National Superintendent of Importation has been authorized to grant import licences for 9,200 tons monthly. Thus the total permits authorized for a year (September to August) amounted to 92,400 tons, whereas actual shipments from the United States and Canada increased so rapidly between April and August, inclusive, that arrivals at the ports of Barranquilla, Cartagena and Buenaventura reached 94,745 tons, and there are indications of further increases in available tonnage. The "Interventor Nacional de Precios" began to function in July, and retail prices have been fixed for all imported drugs. Other lines are also being regulated.

Customs revenues for the first six months of 1943 amounted to 10,237 pesos as against 18,712 pesos for the full year 1942 and 30,471 pesos for 1941. Revenues from this source increased substantially in July, August and September, reflecting the improved shipping situation.

The semi-annual balance sheets of the large industrial concerns and the banks show that the textile companies have made heavy profits for the half-year, and the banks are all in a strong position. Dividends have been maintained, and in many instances have been unusually high.

## COFFEE

The position of the coffee-growers in Colombia is particularly satisfactory. Shipments for the 1942-43 quota year, ending September 30, reached 4,987,642 sacks, which brings Colombia's shipments up to well over 80 per cent of the quota. The Government, by Decree of August 27, increased the basic price of coffee by U.S.\$2 per sack, which will give the growers in Colombia approximately 6,000,000 pesos more, according to the estimates of the Federacion Nacional de Cafeteras.

Gathering of the new crop begins about November 1 in Antioquia and Caldas, the chief producing centres of Colombia, and the yield is reported to be normal and of good quality. Following are figures showing the volume and value, f.o.b. of the coffee exported during the past three coffee years:—

*Colombian Exports of Coffee*

Oct.-Sept.	60-Kilo Bags	Value in Pesos
1939-40 Before the agreement . . . . .	4,083,100	72,877,714
1940-41 Under coffee quota . . . . .	3,468,243	83,688,781
1941-42 Under coffee quota . . . . .	4,315,672	144,939,782

The increase in 1941-42 over 1939-40 was 232,572 bags, with a value of U.S.\$41,178,649. This established a new record for bags shipped and prices obtained.

## COTTON

Development of the cotton textile industry of Colombia has been most noteworthy, as indicated by the fact that, whereas in 1938 the industry consumed 4,267,000 kilos of locally grown and 4,346,400 kilos of foreign cotton, in 1942 consumption was 3,300,940 kilos of the domestic and 14,041,518 kilos of the imported product. National production figures for raw cotton have been rather irregular. For 1938, they were 4,267,000 kilos; for 1940, 2,860,000 kilos; and for 1942, 4,922,078 kilos.

During 1942 the importation of foreign cotton reached 19,001,582 kilos, of which 8,314,252 kilos came from Brazil and 7,240,030 kilos from Peru. There were some imports from other countries also, particularly Haiti.

For 1943 the textile industry will have available approximately 34,320,452 kilos of raw cotton, taking into consideration imports during the first six months of 1943 only, made up as follows: stocks in warehouses on January 31, 1943, 18,877,663 kilos; national production 1943 (estimated), 5,015,000 kilos; importation during first six months of 1943, 10,427,789 kilos.

The industry is in a flourishing condition and is reported to be in a position to meet almost any foreign competition, even under normal conditions. Quality merchandise and print goods are being manufactured, and production is estimated to be much behind demand. With regard to raw material, relatively little progress has been made in stepping up the production of locally grown cotton; approximately 65 to 70 per cent of this raw material has to be imported. Since the outbreak of hostilities Brazil has been the principal source of supply, although imports were also obtained from Peru and Haiti. Recently shipments from both these countries have fallen off considerably, but trial shipments of Uruguayan cotton have been well received.

## LIVE STOCK

The live-stock industry continues to operate on a sound basis, and exports to the Canal Zone of fat cattle have been maintained at a good level, with a consequent beneficial effect on the price for cattle within Colombia. In August, the exports of fat cattle to the Canal Zone dropped somewhat, as the Ministry



of National Economy at that time was endeavouring to secure higher prices for the Colombian producers as a condition to the granting of new export permits, although the growers themselves were apparently satisfied with the current prices. In September the Ministry issued new permits covering the exportation of 10,000 head of cattle (several months' normal shipments) to the Canal Zone, and prices for all classes of live stock continued firm. Pasturage conditions are generally good, and there is no apprehension concerning the short-term outlook for this important basic industry.

#### GOLD PRODUCTION

For the month of August, 1943, a total of 48,672 fine ounces of gold were produced in Colombia, and for the period January-August, 1943, the output was 381,425 ounces. Total production for 1942 was 596,618 ounces. It is estimated that this year's production will be 7 per cent less than in 1942, due to the difficulty of obtaining essential equipment and mining materials. This difficulty became acute early in the current year. However, the apprehension of the gold-mining interests with respect to the possibility of having to discontinue operations due to the difficulty of securing materials has proved to be unfounded.

#### PETROLEUM PRODUCTION

Total production of petroleum in Colombia for the first seven months of 1943 amounted to 6,207,000 barrels as against 10,593,000 barrels in 1942 and 24,639,000 barrels in 1941. Production has been stepped up considerably in the past three months, due to the decision of the United States to increase its purchases of oil from Colombia, which indicates that more tankers are available as a result of the improved shipping situation.

Both the Shell Petroleum Company and the Socony-Vacuum Company have recently brought in new wells, and there are strong indications that there will be a heavy increase in the development of new oil properties in Colombia immediately following the close of hostilities in Europe. Several new exploration companies have been formed recently, and the leading oil authorities are predicting increased exploration when essential materials are freely available.

#### FINANCIAL SITUATION

Colombia is enjoying a period of substantial prosperity despite some dislocation of her trade by the world hostilities. According to a recent report of the Superintendent of Banking for Colombia, during the last six months of 1942 the national commercial banks made a net profit of 2,293,929 pesos as against profits in the first half of 1943 of 2,334,910 pesos. The foreign banks made a net profit of 243,470 pesos in the last six months of 1942 and in the first six months of 1943 their profit was 369,074 pesos. Colombia has large United States dollar balances at her disposal, and the banks are embarrassed with peso deposits, which makes for a certain degree of inflation. If it were not for the control exercised by the Exchange Control authorities, the peso would undoubtedly appreciate in value in terms of the United States dollar.

The cost of living has risen substantially during the past year, the index for August, 1942, being 124.3 as against 144.2 in August, 1943. Another index of 55 articles of ordinary consumption, which stood at 206.1 in August, 1942, had risen to 226.1 in August, 1943.

On September 15 the Minister of Finance issued a resolution modifying a previous decree issued in May and the concordant decree issued on July 3, at a time when speculation was rife and inflationary tendencies appeared to be developing rapidly. The present decree modifies to a certain degree the stringent

terms of that of July 3, and it is noteworthy that the speculative tendencies have completely disappeared from the stock exchange and dealings in commodities. The volume of operations on the Bolsa de Bogota dropped some 14 per cent below the July movement, and the quotations of bank and industrial shares were down from the July averages, whereas the volume in June was down 30 per cent from the May figure, and quotations had fallen considerably.

## UNITED KINGDOM MEAT CONTRACTS

### CONTRACT WITH ARGENTINA

Mr. W. B. McCullough, Assistant Commercial Attaché at Buenos Aires, writes under date September 30, 1943, that a new contract has been signed between the British Ministry of Food and the Government of Argentina for the purchase of the exportable surplus of the latter's meat production. The United Kingdom signed on behalf of the United Nations. The contract covers two years up to September 30, 1944. Since October 1, 1942, frozen meat and canned meat have been shipped in anticipation of a final agreement on price on the basis of the prices under the former control.

The new contract provides for an increase of 3.37 per cent in the price for frozen beef and an increase of 13.35 per cent for corned beef. There is no change in the price for frozen mutton. However, increased expenses, it is understood, will not permit the Argentine Government to increase live-weight prices to local purchasers.

While the quantities to be supplied of each class of meat have not yet been announced, the Argentine Minister of Agriculture stated that not less than 1,500,000 metric tons of meat were involved and, to provide this tonnage, no less than 6,000,000 steers will have to be slaughtered during the two-year period.

The Ministry of Food will handle the meat under contract on behalf of the United Nations. Payment will be made in sterling for all deliveries in the sterling area, and for deliveries in other parts of the world, including Russia, payment will be in dollars.

### CONTRACT WITH URUGUAY

The Uruguayan Minister of Agriculture has announced that the meat contract between Uruguay and the United Kingdom is now nearing signature. Uruguay will export all its available meat supply until October, 1944, at an increase in price of 3.33 per cent over the prices prevailing under the previous contract, which ended October 31, 1942.

Uruguay will sell to the United Kingdom, on behalf of the United Nations, under the terms of the contract 25,000 tons of frozen beef; 20,000 tons of corned beef; 1,400 tons of dehydrated meat; and 14,000 tons of army rations of different types, including meat, vegetables, noodles, stewed steak, etc.

## CANADA'S EXTERNAL TRADE IN SEPTEMBER

The Dominion Bureau of Statistics reports that the value of Canada's external trade in September, excluding gold, totalled \$384,639,552 as compared with \$444,240,556 in the previous month and \$333,858,851 in the corresponding month last year. Trade during the first nine months of this year aggregated \$3,414,075,016 compared with \$2,932,572,404 in the corresponding period of 1942. The nine-month total this year exceeded the total for the full year 1941 by about \$325,000,000.

Domestic exports in September, excluding gold, were valued at \$244,914,478 compared with \$292,861,098 in August and \$206,084,251 in September, 1942.



Exports to the United Kingdom totalled \$77.7 million compared with \$51.5 million in September last year, to the United States \$94 million compared with \$77.3 million, to other Empire Countries \$23.9 million compared with \$42.8 million, and to other foreign countries \$49.3 million compared with \$34.5 million.

Imports during September, excluding gold, were valued at \$137,271,083 compared with \$149,134,694 in August and \$126,344,012 in the corresponding month last year. Imports from the United States totalled \$113.5 million in September compared with \$100.7 million in the same month last year, from the United Kingdom \$9.9 million compared with \$13.4 million, from other foreign countries \$5.7 million compared with \$5.2 million, and from other Empire countries \$8.2 million compared with \$7 million.

## WORLD WHEAT SITUATION

*(Dominion Bureau of Statistics Bulletin)*

The suspension of wheat trading on the Winnipeg Grain Exchange and the rise in wheat prices at Chicago to their highest levels since 1929 were among the major developments in the world wheat situation during the past month. Changes occurred also in the supply and demand position, but on balance these changes favoured the reduction of the existing surplus before the 1944 crops are harvested.

Current supplies of wheat are still abnormally heavy but the demand for wheat in the United States and the vagaries of the weatherman give promise of bringing about substantial improvement in the surplus position by the end of next July. Both Canada and Argentina are finding an important outlet for surplus supplies in the United States, while drought is cutting down harvest prospects in Australia at a time when export demand for Australian wheat and flour is expanding.

A new harvest is approaching in both Australia and Argentina, but drought in one country and frost in the other, combined with reduced wheat acreage in both, promise to keep 1943 production of wheat within manageable limits. The Australian crop has been tentatively estimated at 89,000,000 bushels compared with 156,000,000 bushels produced a year ago. The carryover of old crop may exceed 150,000,000 bushels, but the large flour order recently placed by the British Ministry of Food, and the shipment of Australian wheat to India, will cut into this surplus, while greater use of wheat in live-stock feeding at home will take up additional amounts.

Argentina's harvest will not extend to the heavy producing areas until late December or early January, so that it is too early yet to measure the new crop. The old crop surplus on December 31, may be as large as 200,000,000 bushels, but part of this is earmarked for fuel and animal feed. It is noteworthy also that the expected increase in wheat acreage did not materialize according to the preliminary estimate of the area seeded to wheat.

It would appear then that the situation in the four major exporting countries is somewhat brighter, more by reason of expanding domestic demand than through the opening up of export markets. Canada is an exception in that her export clearances to the United Nations, including sizeable quantities to the United States, are likely to be very substantial in the current crop year, while domestic utilization may equal and probably exceed the record total of the past season.

The conquest of Sicily and southern Italy will provide some outlet for North American wheat. These territories do not normally produce sufficient to meet local requirements, and much of the 1943 crop was probably lost to the Germans

or destroyed in the fighting. The Island of Sicily, for its size, produces a fairly large wheat crop. The pre-war acreage was close to 2,000,000 acres and production around 32,000,000 bushels. Durum wheat for macaroni or bread is the principal variety grown, and about one-third of the agricultural area of the Island is utilized for wheat production.

War developments may be expected to open up other European territories during the current crop year, but in the meantime Portugal is still a heavy importer of wheat, principally from Canada. Her own crop was very poor this year, and native supplies are calculated to be some 13,000,000 bushels below domestic requirements. Eire is also an importer of moderate amounts, while the gift shipments from Canada to Greece are continuing at the rate of 500,000 bushels monthly.

United Kingdom imports for domestic use are not likely to be any larger than last season, but purchases for shipment to areas in the Mediterranean and against reserve stocks will probably keep Canadian wheat and flour flowing fairly freely across the Atlantic. Russia too will probably get the bulk of her needs from North America.

Spain's requirements are being met by Argentina, while the occupied countries appear to have fared better in 1943 than in any of the previous war years. The British Ministry of Economic Warfare is credited with the statement that the bread-grain harvest in all enemy-occupied countries on the Continent was larger this year than last and that bread rationing has been increased or the quality of bread improved in a number of these countries.

Turkey appears to have sufficient wheat from the 1943 harvest to meet her needs, while supplies in North Africa including Egypt are more satisfactory than they were a year ago. There is famine in Bengal, however, and British supplies, including wheat or flour from Australia are reported to have been shipped in to alleviate the distress there.

## CONTROL OF EXPORTS FROM CANADA

### ADDITIONS TO LIST OF PRODUCTS AFFECTED

By Order in Council P.C. 8466, effective November 8, 1943, fresh beets, parsnips and turnips, included in Group 1 (Agricultural and Vegetable Products), are added to the list of commodities the exportation of which is prohibited except under permit issued by the Export Permit Branch, Department of Trade and Commerce, Ottawa.

### REGULATIONS AMENDED

By Export Permit Branch Order No. 81, effective November 10, 1943, the exemption from requiring an export permit for shipments to the British Empire or to the United States of "tree fruits, n.o.p., fresh, of other than Canadian origin" is cancelled, so that on and after November 10 tree fruits of any kind will require an export permit before being shipped from Canada to any destination.

NOTE.—The attention of exporters is directed to the fact that the subsidy payment on oranges at the rate of 65 cents per case must be returned before permits to export this fruit will be granted. Cheques should be made payable to the Commodity Prices Stabilization Corporation Limited and must accompany applications for permits to export oranges.



## TARIFF CHANGES AND TRADE REGULATIONS

### Trinidad

#### GENERAL LICENCES ISSUED FOR BOOKS AND PERIODICALS

The Trinidad Control Board announced on October 13, 1943, that general licences have been issued to Barclays Bank, the Royal Bank of Canada, and the Canadian Bank of Commerce to sell currency and transmit orders for certain specific books and periodicals on behalf of importers in the Colony. General licences have also been issued to the Postmaster General and the Collector of Customs authorizing the delivery of such books and periodicals without the production of import licences by individual importers.

Importers who have been allotted quotas for the importation of books and periodicals were requested to submit before October 31 a statement showing quantities and values of books and periodicals imported from sources other than the United Kingdom during the period October 1, 1942, to September 30, 1943, in order that quotas may be allotted for importation from those sources during 1944.

### Bahamas

#### EMERGENCY TAX ON IMPORTS EXTENDED

A Bahamas Act of June 21, 1943, extends for one year from June 30, 1943, the Bahamas Emergency War Tax Act, which imposed an additional duty of 5 per cent ad valorem on all goods (with stated exceptions) imported into Bahamas. Articles of chief interest to Canada that are exempted from the Emergency War Tax are: alcoholic spirits; preserved beef; butter; cheese; poultry feeds; fertilizers; canned fish; flour; lard and compound; lumber; fresh, salted or smoked meats; preserved milk; potatoes; soap; sugar; unmanufactured tobacco; travellers' samples.

### Mexico

#### ADVANCE PAYMENT OF CUSTOMS DUTY DISCONTINUED

With reference to the notice in *Commercial Intelligence Journal* No. 2052 (May 29, 1943), page 449, regarding the method of preparing invoices to Mexico, Mr. C. S. Bissett, Canadian Trade Commissioner at Mexico City, cables that the requirement that exporters pay to Mexican Consulates 5 per cent of the net value of the invoice as advance payment of import duty has been abrogated by a decree effective November 5, 1943, whatever the country of origin.

## EXCHANGE CONDITIONS IN BRAZIL

#### L. S. GLASS, CANADIAN COMMERCIAL ATTACHÉ

Rio de Janeiro, October 12, 1943.—The foreign exchange position in Brazil continues to be satisfactory, with ample supplies to meet all commercial commitments. Exchange is also available for remittances against interest and dividend payments. Rates have firmed slightly; the Bank of Brazil's free buying rate for United States dollars quoted on the date of this report was 19.47 cruzeiros. It is also significant that the "special free rate" applied to transactions in currency, travellers cheques and the like accruing from tourists or in-transit visitors and made available for certain non-commercial transactions now closely

approaches the ordinary free rate. On this date the rate was quoted at 20-30 cruzeiros. This indicates a plentiful supply of special free exchange and also that ordinary free exchange is being made more readily available for these extra-commercial needs.

Since the outbreak of the war the Brazilian exchange position has rapidly improved. The disappearance of European sources of supply for imports and the curtailment of exports from the Allied Nations cut down imports into Brazil to a marked extent. On the other hand, the demand for Brazilian export goods increased greatly in many instances. The combined result of these conditions was that Brazil's international trade began to show favourable balances. In 1942 the favourable balance was 2,851,000,000 cruzeiros, while for the first six months of 1943 it was 1,318,000,000 cruzeiros.

### FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING NOV. 8, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, November 8, 1943, and for the week ending Monday, November 1, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Nov. 1	Nominal Quotations in Montreal Week ending Nov. 8	Official Bank Rate
Great Britain. . . . . Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. . . . . Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico . . . . . Peso	.4985	.2284	.2284	4
Jamaica . . . . . Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. . . . . Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2764	.2775	—
Brazil. . . . . Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana . . . . . Dollar	1.0138	.9313	.9313	—
Chile . . . . . Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. . . . . Peso	.9733	.6358	.6358	4
Venezuela . . . . . Bolivar	.1930	.3330	.3330	—
Uruguay. . . . . Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5885	.5885	—
South Africa. . . . . Pound	4.8666			
	Bid	1.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India . . . . . Rupee	.3650	.3359	.3359	3
Australia . . . . . Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. . . . . Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—



# COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

---

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100 **CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.**

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**



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## PROCLAMATION AUTHORIZING EXTENSION OF GENERAL-ORDER AND BONDED-WAREHOUSING PERIODS IN THE UNITED STATES

With reference to the article published in *Commercial Intelligence Journal* No. 2052 (May 29, 1943), page 446, the President of the United States issued a proclamation on November 4, 1943, authorizing extension of the one-year "general-order" period and the three-year "bonded-warehousing" period, at the expiration of which imported merchandise normally becomes subject to sale by the Government as abandoned, in accordance with Sections 491, 557, and 559 of the Tariff Act of 1930 as amended. Section 318 of the Tariff Act of 1930 provides that, whenever the President shall by proclamation declare an emergency to exist by reason of a state of war or otherwise, he may authorize the Secretary of the Treasury to extend during the continuance of such emergency the time prescribed in that measure for the performance of any act.

The action taken by the proclamation of November 4 is with a view to granting relief in numerous cases in which invasion by the Axis armies, Allied shipping controls, or other trade restrictions resulting from the war have prevented or delayed the disposition of the merchandise contemplated at the time of importation. The Department of State at Washington announced that several of these cases have been brought to the attention of the Department by the Governments of some of the other United Nations.

The proclamation empowers the Secretary of the Treasury to grant one-year extensions of the one-year period prescribed in Section 491 and of the three-year period prescribed in Section 557 upon certification by the Foreign Economic Administration that such action will not impede the war effort. The extensions may be granted when either of the periods has expired since December 6, 1942, or will expire while the proclamation remains in effect, except

in cases in which abandoned merchandise already has been sold. Authority, under the proclamation, to make the extensions is granted only until the termination of the unlimited national emergency declared by the President on May 27, 1941, or until proclamation by the President that such extensions are no longer necessary, whichever is the earlier.

The powers conferred on the Secretary of the Treasury are defined in the President's proclamation as follows:

1. To extend the one-year period prescribed in Section 491, *supra*, as amended, for not more than one year from and after the expiration of such one-year period in any case in which said period has already expired or shall hereafter expire during the continuance of said emergency and in which the Foreign Economic Administration certifies to the Commissioner of Customs that such extension will not impede the war effort; and

2. To extend the three-year period prescribed in Sections 557 and 559, *supra*, as amended, for not more than one year from and after the expiration of such three-year period in any case in which said period has already expired or shall hereafter expire during the continuance of said emergency and in which the Foreign Economic Administration certifies to the Commissioner of Customs that such extension will not impede the war effort; and

3. To extend further the one-year period prescribed in Section 491, *supra*, as amended, and the three-year period prescribed in Sections 557 and 559, *supra*, as amended, for additional periods of not more than one year each from and after the expiration of the immediately preceding extension in any case in which said extension shall expire during the continuance of said emergency and in which the Foreign Economic Administration certifies to the Commissioner of Customs that such additional extension will not impede the war effort;

Provided, however, that in each and every case under numbered Paragraphs 1, 2 and 3 above, in which the merchandise is charged against an entry bond, the Secretary of the Treasury shall require that the principal on such bond, in order to obtain the benefit of any extension which may be granted under the authority of this proclamation, shall furnish to the Collector of Customs at the port where the bond is on file either the agreement of the sureties on the bond to remain bound under the terms and conditions of the bond to the same extent as if no extension had been granted, or an additional bond with acceptable sureties to cover the period of extension; and that, in each and every case in which the merchandise remains charged against a carrier's bond, the Secretary of the Treasury shall require that the principal on such bond shall agree to the extension and shall furnish to the Collector of Customs at the port where the charge was made the agreement of the sureties on the bond to remain bound under the terms and conditions of the bond to the same extent as if no extension had been granted; and

Provided further that the extensions of one year authorized in this proclamation shall not apply in any case in which the period sought to be extended expired prior to December 7, 1942, or in which the merchandise in question has been sold by the Government as abandoned.

For the certification required under Paragraph 3, exporters are advised to apply to James B. Herzog, Chief, Transportation Branch, Office of Exports, Foreign Economic Administration, Washington, and, for the extension itself, to make application to the Secretary of the Treasury, Washington.

## MARKET CONDITIONS FOR CANADIAN BARYTES IN THE UNITED KINGDOM

A. E. BRYAN, CANADIAN TRADE COMMISSIONER

### II. Principal Uses in the United Kingdom

#### LITHOPONE MANUFACTURE

In the United Kingdom barytes is used mainly for the manufacture of lithopone and paint. Two large firms manufacture lithopone, their combined production being estimated at 35,000 tons a year, with a required annual consumption of barytes of 20,000 to 25,000 tons.

Both these firms own their own barytes mines, but they also import a considerable tonnage of crude ore from abroad, chiefly from Ireland at present and formerly from the Continent. These lithopone-makers are interested in lump barytes only, as they all have their own facilities for crushing and mixing.



For making lithopone, it is essential that the barytes ore have a very high content of  $\text{BaSO}_4$ , not less than 90 per cent, and be free from impurities.

#### MANUFACTURE OF PAINT

The most important consumer of barytes in this country is the paint trade, it being estimated that about 50,000 tons of powdered barytes is required to satisfy normal requirements. Most of this barytes was imported from Germany and Italy, although Algerian barytes was beginning to come into use just before the war.

For making paint it is most important that the powdered barytes shall be free from colouration (very white) and of very fine particles. If the barytes contains traces of iron, manganese, or other unwanted materials, chemical treatment may be required, as well as an elaborate grinding plant which is usually of the pendulum type. It is usual to specify 97-99 per cent  $\text{BaSO}_4$ , low in iron and silica, and grinding of 200-300 mesh.

Two British Standards specifications for barytes are in use by paint manufacturers, namely Nos. 260 and 926 (Special Wartime Emergency Standard), copies of which are available for inspection by interested Canadian firms on application to the Department of Trade and Commerce, Ottawa (Refer to file No. 16241).

#### BARYTES IN THE CHEMICAL TRADE

Probably the next largest consumers of barytes in the United Kingdom are the chemical industries, their requirements being estimated at 1,800 tons a week of the crude ore, which should test 96 per cent  $\text{BaSO}_4$  and better. Although usually required in lump form, most chemical manufacturers can use it in any form down to fines, provided the  $\text{BaSO}_4$  test is satisfactory.

Large quantities of barytes are required for the manufacture of barium carbonate, which in this country is used largely in the ceramic industries, particularly for bricks and red tiles. Similarly considerable quantities are needed for making precipitated barium sulphate, or "blanc fixe", so much of which is needed by the paint industries for the higher-grade paints.

Other chemicals made from barytes are barium dioxide, barium chloride, and barium nitrate. One large firm producing chemicals uses 400 tons of barytes per week. They have their own mines, but are always in the market for a good grade of barytes from abroad.

#### OTHER USES FOR BARYTES

The United Kingdom paper-coating industry uses great quantities of "blanc fixe" in pulp form. At present the amount allowed to paper-makers has been cut down to one-tenth of that required normally, otherwise there would be a severe shortage for more essential purposes.

#### COAL WASHING

Coal washing is another industry that uses a certain tonnage of barytes. Although a total of only about 5,000 tons is required annually for this purpose, it is noteworthy that there are at present ten plants using a coal-washing process, while three more are in course of construction. A plant is capable of washing 100 tons of coal per eight-hour shift and uses two pounds of barytes (off-colour) per ton of coal washed. For this purpose the weight of the barytes is the significant factor; colour and grinding are not important. The specific gravity, however, should not exceed 4. The barytes powder used for coal washing is mainly supplied by local producers near at hand.

## MANUFACTURE OF RUBBER

The rubber-manufacturers of this country use about 1,500 tons of barytes per annum. Their specifications usually call for 93 per cent or better  $\text{BaSO}_4$ , neutral reaction, good off-white colour, and manganese less than 0.05 per cent. The barytes must be supplied in fine powder form that leaves no residue on a 90-mesh sieve and 95 per cent to pass a 200-mesh sieve.

## PRICES

Before the outbreak of war, German and Italian barytes (powder), supplied in a number of grades, sold at from £2 18s. to £4 7s. per ton c.i.f. Liverpool. Material from the Hartz Mountains area in Germany was available in six different qualities or "standards", and the prices per long ton, less 5 per cent discount, bags free, delivered Liverpool, for these grades just prior to the war were:—

*Prices of German Barytes*

Grade	£ s.	Grade	£ s.
1. . . . .	4 5	4. . . . .	3 9
2. . . . .	4 2	5. . . . .	2 18
3. . . . .	3 19	6. . . . .	2 18

The Italian product came in four grades, the pre-war prices per long ton in bags of 50 kilos (110 pounds), being:—

*Prices of Italian Barytes*

Grade	£ s. d.	Grade	£ s. d.
Super. . . . .	4 7 6	Primer . . . . .	3 10 0
Extra. . . . .	3 15 0	33. . . . .	2 15 0

In October, 1939, the Italians were still accepting business, but their prices for the four grades had advanced rapidly to £6 12s. 6d., £6, £5 15s. and £4 15s. respectively.

The crude material (lump barytes) from Italy sold at £2 10s. per ton delivered Liverpool in bulk shipments.

The cost of home-produced barytes before the war varied from £2 10s. to £4 10s. per ton, depending on grade. For instance, rubber-manufacturers were paying £3 7s. 6d. per ton for powdered barytes, less  $2\frac{1}{2}$  per cent cash discount, delivered at works in 1-cwt. bags (free).

During the last few years, owing to the increased demand for supplies, higher labour costs, and large capital investments, British producers have increased their prices by about 100 per cent, so that it now varies from £5 to £10 10s. per ton.

Quotations received about a year ago from Canadian producers ranged from about £6 to £8 per ton for their best grades, delivered Liverpool, but no shipping space was available at the time, and an order for 200 tons of Canadian barytes could not be filled.

## FUTURE PROSPECTS FOR CANADIAN BARYTES

A number of authorities, some of whom have had an opportunity of examining samples of Canadian barytes, are of the general opinion that there will be good opportunities for developing the sale of the Canadian product in the United Kingdom market after the war. At present, owing to import restrictions and the shortage of shipping space, local consumers must rely on home-produced barytes and substitutes (mostly clays) together with some 2,000 tons imported annually from Ireland.

The fact that, despite the greatly increased domestic output and these importations of ground barytes from Ireland, British industry has been short



of supplies of barytes at a time when the general volume of non-essential consumption has been eliminated, is indicative of the volume of the business that must develop after the war to satisfy the total requirements of the country, and Canada should be an important source of supply.

Consumption of barytes is currently restricted by the British Ministry of Supply, priorities being established in the following order: coal-washing; chemical manufacture; rubber manufacture; lithopone manufacture; paper making; essential paint; other uses. In this way the most essential demands are met from the limited supplies available at the present time.

One of the largest chemical manufacturers stated that, although he was going to do everything possible to foster the development of British barytes deposits, particularly his own two mines, he is firmly convinced that domestic deposits will not be able to supply the requirements of the United Kingdom after the war. For this reason he is always in the market for new supplies and wishes to encourage Empire producers. He added that, owing to the geographical location of Canadian deposits, especially those in Nova Scotia, which are right at tide-water, he considers that these are likely to be the mainstay of such companies as his own, provided the quality is suitable.

Engineers who have examined the barytes deposits at Benbulbin, Sligo, which are likely to be enlarged and further developed, have expressed the opinion that they will be able to compete with Nova Scotia barytes, which can be so easily mined from surface deposits in large quantities. In addition the cost of transportation from the mine to ships in Nova Scotia is likely to be lower than the corresponding costs to vessels from Benbulbin. Moreover, it is improbable that the mines in Ireland will produce as much per individual worker as will be produced in Canada and, if transshipment can be eliminated, the freight from Canada to United Kingdom ports is not likely to be proportionate to the difference in mileage.

Another producer of chemicals states that he would be prepared to use Canadian barytes (which he had not had an opportunity of examining) as a raw material for his chemical processes, provided the  $\text{BaSO}_4$  test was not less than 95 per cent. Moreover, even though an off-coloured type, he could not rule out the product as suitable for bleaching. His present supply, a British barytes, is characterized by a reddish tinge, but he has a process for treating it and entirely eliminating the colour to produce a first-quality white grade. If he could obtain a trial shipment of, say, 200 tons of Canadian barytes, he would be prepared to make some bleaching tests which should have just as satisfactory results as are obtained from the product he is using at present. He proposes to visit Canada immediately after the war for the purpose of inspecting these newly established barytes developments. This particular company has a consumption capacity of 500 tons of barytes a week, almost all of which is used in the manufacture of chemicals.

A large distributor and importer of heavy chemicals and substitute clays states that "the quality of this Canadian barytes is satisfactory for a large percentage of work in this country, provided the price will not rule it out. As the home producer cannot supply anything like the quantity required, and as our own substitutes, although very useful, will not do for certain work, imports of barytes are therefore essential."

One of the most important firms importing from Italy before the war writes: "We have been importing from Italy, and Canadian samples must be of equal colour and grading, or even more finely ground. There is a good market for the right material at competitive prices. There is also a large demand for crude (lump) barytes, but cost is the main factor."

One firm is of the opinion that, owing to the increased quantities of paint that will be required after the war and to the additional needs of the rubber,

paper, and chemical trades, the imports of barytes will show an increase of 50 per cent over pre-war figures.

Another important firm importing minerals of all kinds, after testing samples of Canadian barytes, writes: "At present we are handling a recovered British grade which is of a fine white colour, although the  $\text{BaSO}_4$  content is 20-25 per cent lower than the Canadian quality. It costs £10 10s. a ton, so that the Canadian product is at a disadvantage if colour is one of the stipulations. On the other hand, where colour is of secondary importance the Canadian grade might be of interest, seeing that the Canadian  $\text{BaSO}_4$  content is of the high rating of 95-97.5 per cent."

A London chemical concern, after examining samples from Canada, reported as follows: "We fear that the colloidal iron present, which gives the material a distinct reddish tone in the powdered form, would preclude the use of the powdered material to any great extent in the paint or rubber trade, except for red and brown paints. Possibly the redness would not affect the material from the point of view of its use for lithopone manufacture. It is for that purpose that crude barytes is mainly needed over here at present, but from that angle the shipping-space question has to be considered, and we do not suppose any shipping space would be granted for barytes under present conditions. We are interested in barytes mainly after bleaching or acidulation."

#### MARKET HINTS

Before any British firm can undertake the sale of Canadian barytes, it must have abundant samples of standard grades of the powdered material as well as samples of the lump or crude barytes.

It is not sufficient for a potential supplier in Canada to submit a chemical analysis and other details of the barytes he hopes to produce sometime in the future. The mine must be actually in operation commercially, and definite grades or standards must be already established and adhered to rigidly, so that, when samples of these grades are sent to the United Kingdom, agents can accept orders with the utmost confidence on the basis of such grades and be perfectly sure that shipments will be of equally high quality, especially in respect of colour, which is so important.

No firm in the United Kingdom will undertake to purchase any specified quantity of barytes until a mine is in operation and samples of the standards are available for inspection and testing. There is a world market for good barytes, and producers of this material in Canada must assess the opportunities of any and all markets and then assume the necessary risk in capital investment and development of the deposit. Once they are convinced that they have a good grade of barytes in sufficient quantities and suitable for at least some of its many uses, there should be no great risk in putting it on the market. But it is most important to get everything settled before approaching overseas buyers for orders.

Probably Germany built up the best reputation for good-quality barytes before the war. As already mentioned, firms in that country could furnish any one of six standard grades, and consumers could always rely on shipments being equal to grade samples. Italian barytes was available in four grades, which were usually found satisfactory by the trade in the United Kingdom.

There is no need for Canadian producers to adopt so many grades. It might be better to start off with three standards, which should be sufficient for this market, and these Canadian standards should be the equal of the German first, second and third grades or the Italian "Super", "Extra" and "33" qualities. It is essential, once these standards are established and samples of them distributed abroad, that they be maintained and that they do not vary in uniform grinding and colour.



United Kingdom buyers commonly contract for 1,000 tons of barytes powder at a time, while the crude or lump barytes is usually bought in full cargo lots of 2,000 to 3,500 tons at a time. It is possible that this bulk business may become of greater importance to Canadian suppliers than the powdered product, as there is no doubt that there are better facilities available in this country for refining the ore than there are in Canada at present, although in due course Canadian producers will probably be equipped with the most up-to-date plants for treating and refining the ore.

#### PACKING

It is the usual practice for continental suppliers shipping to this market to pack powdered barytes in waterproof paper bags or hessian bags containing two hundredweights, net, each. Some firms prefer smaller sizes—one-hundredweight twill or hessian bags. Lump or crude barytes in small shipments is usually packed in wooden casks or barrels, while large consignments generally come in bulk in vessels of comparatively small tonnage.

#### SAMPLES AND LIST OF IMPORTERS

Sample sets of German, Italian, Irish and British home-produced barytes are available for inspection by interested Canadian firms on application to the Department of Trade and Commerce, Ottawa. A complete list of firms in Great Britain who are interested in the importation of barytes from abroad is on file. (Applicants should quote file No. 16241.)

### SCOTTISH INDUSTRIAL NOTES

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

#### Coal

Glasgow, October 15, 1943.—The downward trend of coal output in the United Kingdom has not yet been arrested. It is caused by a reduction in manpower at the mines as a result of the annual wastage, the calling up of large numbers of men for the armed forces since the beginning of the war, some avoidable absenteeism, and stoppages of work.

Last winter the public responded well, at the cost of much comfort, to the appeals to save coal, not only in the domestic hearth and kitchen range but by reducing the consumption of electricity and gas. The saving in fuel consumption in industry was also substantial, but in the year that has since elapsed the problem has not been solved. The general public will probably experience some discomfort during the coming winter, but there is reason to believe that the war industries will not be seriously affected, on account of the steps being taken by the Government to increase production. There is to be a comb-out of the army for experienced miners, particularly among the older men, but those in the fighting forces or required for forthcoming military operations could not be returned to the mines. In addition it is proposed to call up men for the coal mines in the same way as for the armed forces, and those that are inexperienced, as most of them would be, will be trained for one month.

Out of upwards of 200 million tons of coal produced during the past twelve months, only 750,000 tons have been lost by strikes, or one-third of one per cent. Voluntary absenteeism is somewhat under 5 per cent. The really serious feature appears to be the annual wastage of nearly 20,000 men through old age and death. It is hoped that, by the various methods proposed, this wastage may be at least partly replaced and individual production increased.

#### Engineering and Shipbuilding

Notwithstanding the speed at which shipping tonnage is being turned out from the yards of the Clyde and in other shipbuilding areas in Scotland, it is

authoritatively reported that the standard of workmanship remains as high as it has ever been. A new high record of production was established last year in both shipbuilding and marine engineering. The new tonnage of all kinds constructed in the Clyde district was greater than ever before and exceeded by a substantial margin the output of 1941, which was itself a record.

An important development in the shipbuilding industry in Scotland has been the extension of the pre-fabricated method of construction, which is at present being carried out to an extent not hitherto reached in Britain. Ships are being built sectionally many miles from tide-water, and the parts brought to the coast for assembly. Construction of the sections is done by firms formerly engaged in other kinds of activity. This, of course, is a wartime expedient and is not expected to continue.

### **North of Scotland Hydro-Electric Board**

The members of the North of Scotland Hydro-Electric Board have now been appointed by the Government. This marks an important step forward in the scheme for the industrial development of the Highlands by the use of the water power available in that area, which is more richly endowed in that respect than any other district of Great Britain. The Chairman of the Board, whose headquarters will be in Edinburgh, is the Earl of Airlie, and the Deputy Chairman and chief executive officer is Mr. A. E. MacColl, at present Scottish Regional Officer of the Central Electricity Board. There are three other members. The Board has been authorized to borrow £100,000 from the eight Scottish banks, acting collectively, for surveying the water-power resources to be utilized and preparing a development scheme. For capital works, after the plans are prepared, the Board may borrow up to £30,000,000.

## **CONDITIONS IN NEWFOUNDLAND IN 1942**

R. P. BOWER, ACTING TRADE COMMISSIONER

### **IV. Finance; Transportation; Industry**

#### **FINANCE**

For various reasons it was decided that, beginning with 1942-43, the Newfoundland fiscal year should terminate on March 31 instead of June 30 as formerly. Therefore the latest complete period for which figures are available is the nine months July 1, 1942, to March 31, 1943, so that it is difficult to supply complete information on financial conditions in the country on a calendar-year basis. A report on the budget for 1943-44 was published in *Commercial Intelligence Journal* No. 2053 (June 6, 1943), page 464.

Financially 1942 was a good year for Newfoundland, probably the best recorded. Customs revenue reached an all-time high, the result of a large volume of imports and substantially higher f.o.b. prices. Duties being on an ad valorem basis, the higher the f.o.b. prices the higher the revenue from this source. Income from direct taxation increased in proportion to the greater prosperity of Newfoundland business houses.

Sales of war savings certificates, which averaged \$45,365 a month in 1941, averaged \$77,285 in 1942. Expenditures rose in virtually all departments, partly due to wartime expansions and partly to higher civil servants' salaries occasioned by the necessity for paying cost-of-living bonuses to compensate for rapidly rising household and other expenses.

Every month, up to September in 1942, showed an increase in customs revenue beyond the figure for the corresponding period of the previous year. The decline which started in September was a reflection of a somewhat lower



employment figure and an indication of shortages in supplying countries. Since the end of 1942 the Government has increased the rates of direct taxation and has made them retroactive in respect of 1942 incomes. The effect of this measure will be to increase the proportion of total revenue that derives from direct taxation. This increase is not expected, however, to compensate for the anticipated decline in customs revenue, and it is certain that 1943 revenue will show a substantial reduction as compared with that for 1942. The opportunities for reducing expenditures are limited; the cost of living remains high, and bonuses must be paid to most civil servants. In addition any government projects that are undertaken will be rendered costly as a result of the high prices currently being charged for materials and supplies.

TRANSPORTATION

SHIPPING

Following transportation difficulties in the winter of 1942, the Government established the Transportation Control Board with the object of regulating shipping so as to obtain the maximum benefit from the limited tonnage available to service the Island. A number of orders were issued from time to time to implement the Board's policy. Of chief interest to Canada was an order establishing an embargo on all freight via North Sydney for points in Newfoundland east of Grand Falls. Conditions which this embargo was intended to correct had largely disappeared by the end of the year, and the order was consequently being interpreted rather leniently.

The Transportation Control Board also took steps to increase the efficiency of the port of Saint John's, and to reduce the time taken to discharge and load overseas vessels using the port. Arrangements were also made to facilitate the removal of cargoes from the dock areas in order to avoid congestion, while more modern discharging facilities were adopted at certain bottle-neck points. The Canadian Government eased the shipping shortage as far as Newfoundland was concerned by putting a large vessel on the run between Halifax and Saint John's. This boat, which makes a round trip every fortnight, has been largely responsible for the fact that Newfoundland was not seriously short of shipping space at the end of the year.

RAILWAYS

The greatest passenger and freight traffic in the history of Newfoundland was handled by the Newfoundland Railway in 1942. The following table indicates the expansion in the services performed by this organization in the past four years:—

*Newfoundland Railway Traffic*

	Passenger	Freight	Mail	Total
1939 . . . . .	\$ 414,838.00	\$1,172,079.00	\$48,150.00	\$1,635,067
1940 . . . . .	529,776.00	1,209,797.00	48,150.00	1,787,723
1941 . . . . .	752,776.30	1,672,747.80	48,000.00	2,473,524
1942 . . . . .	1,504,215.97	2,592,154.46	48,000.00	4,144,370

Passenger revenue in 1942 was seven times greater, and the freight revenue ten times greater than in 1904, indicative of the growth of this service.

The Newfoundland Railway operates various coastal steamship lines as well as maintaining the link with Canada through the service between North Sydney and Port aux Basques.

AIRWAYS

The outstanding feature of transportation in Newfoundland in 1942 was the inauguration of an air service between the Island and the mainland. The concession for this service was given to the Trans-Canada Airlines, which in the

early days of the service operated one plane a day. The traffic was so heavy that two planes were subsequently required. T.C.A. will have a beneficial effect on future trade with Canada, since local importers will be within easy reach of producers in Montreal, Toronto, and the Maritimes.

#### POSTS AND TELEGRAPH

The volume of traffic, both postal and telegraphic, during 1942 exceeded by a substantial margin that for 1941, hitherto the heaviest in the history of the Department of Posts and Telegraphs. In January the airgraph-message scheme from Newfoundland was inaugurated; more than 3,000 of these messages were sent from Newfoundland during the year. With the inauguration of the T.C.A. services from May 1, 1942, airmail facilities were made available between Newfoundland and Canada.

#### INDUSTRIAL CONDITIONS

##### PULP AND PAPER

Both newsprint mills in Newfoundland experienced difficulties before the year 1942 ended. The scarcity of shipping resulted in curtailment of production and, on account of the shortage of men for the woods department, the supply of raw materials fell below requirements, and production in the mills was adversely affected. The two Newfoundland mills are located at Grand Falls and at Corner Brook, and the prosperity of the areas in their proximity depends entirely on operating conditions in the mills.

##### FISHERIES

The year 1942 was not a favourable one for the Newfoundland fisheries, although prices for cod were better than for some time past, so that financial returns were not unsatisfactory. Official returns for the past six years are as follows: 1942, 703,456 quintals; 1941, 830,758; 1940, 875,494; 1939, 1,045,236; 1938, 1,042,082; and 1937, 860,428 quintals.

The deep-sea, or bank, fishery has been declining steadily in recent years. In 1940 the take totalled only 169,000 quintals, in 1941 it was 158,000 quintals, while in 1942 it fell to 62,000 quintals. The chief explanation lay in the switch-over to more profitable freighting by many bank craft-owners, while there was also some difficulty in obtaining fishing crews. The Government has encouraged the development of cod-fillet freezing plants, and throughout 1942 considerable work was done on planning and construction. Exports of cod fillets showed a marked increase as compared with 1941, the bulk of production going to the United Kingdom. Canadian and American markets were also receptive, and in the opinion of the trade this business has definite post-war possibilities. With the decline in base construction work and indications that fish prices for 1943 will be firm, the prospects of the fisheries are excellent. The greatest drawback at present is that many fishermen allowed their gear to get into a state of disrepair, and some difficulty is being experienced in obtaining replacement machinery and equipment.

For some time the Newfoundland Government has fostered the policy of group marketing of codfish, with exclusive rights to deal with a particular area being extended to specific groups. This policy has been in successful operation for five years. The marketing of Newfoundland fish presented some difficulty during the year, as not only were certain of Newfoundland's regular customers prevented from obtaining supplies but, on account of shortages of shipping, it was a difficult matter to supply purchasers in the Western Hemisphere. The Canadian authorities co-operated with the Newfoundland Fisheries Board, and shipments of salt fish to West Indian customers were made on a basis that was fair to both countries.



Operation of three fish-meal plants began in 1942, one for the production of whitefish meal and the other two for herring meal and oil. Newfoundland's Scotch-cure herrings found good markets in the United States and Canada, the quality of the product meeting all requirements. The quantities booked have increased over the past few years, and returns to packers have advanced progressively, the average price in 1942-43 being over 100 per cent above that for 1937-38.

*Salmon.*—The packing of frozen salmon for export to the United Kingdom was suspended for the year, due to shipping difficulties and import restrictions in the United Kingdom.

*Lobsters.*—Exports of live lobsters in 1942 amounted to 1,854,000 pounds as against 2,148,000 pounds in the previous year. Canning of lobsters was on a small scale.

*Halibut.*—Exports of fresh halibut fell from 229,931 pounds in 1941 to 161,839 pounds in 1942. The decline was in some measure due to a falling-off in the bank fishery.

*Cod Liver Oil.*—Exports of medicinal, poultry and common cod oil declined with the cod catch, the estimated figures being 222,000 gallons, 3,000 gallons, and 370,000 gallons as against 241,000 gallons, 8,000 gallons and 545,000 gallons in 1941.

#### MINING

The mining industry of Newfoundland, despite the handicaps of labour competition and shipping difficulties, succeeded in maintaining its volume in 1942 at the levels for previous years.

*Iron Ore.*—The Dominion Steel and Coal Corporation operate a large mine on Bell Island, which was adversely affected throughout the year by labour and shipping difficulties. In normal times this property supplied large quantities of iron ore to European mills, particularly in Germany, and therefore the capacity is considerably in excess of that required to meet current demands, the output being taken principally by the Dominion Steel and Coal Corporation of Sydney. This corporation also operates a limestone quarry at Aguathuna, and the rate of production was well maintained until toward the end of the year, when the plant was closed down for the season.

*Zinc.*—The Buchans Mining Company at Buchans operated close to capacity throughout the year. The zinc from Buchans constitutes the largest single supply for the United Kingdom at present, while its lead and copper concentrates make up an important part of the supplies available to the United States industry.

The war has stimulated interest in a number of other Newfoundland properties. Of these the most promising are the fluorspar deposit at St. Lawrence, on the southeast coast of the Burin Peninsula, and the high-grade magnetite deposits in the Indian Head (Bay St. George) area. The fluorspar deposit at St. Lawrence is being worked by two companies, one of them controlled by the Aluminium Company of Canada. The heavy demand for aluminium by the United Nations has stepped up production in this area, so that Newfoundland is now a supplier of this important material second only in importance to the United States. Approximately 700 men have been employed at times on construction and mining operations in this area, and St. Lawrence has become a major industrial centre. Fluorspar reserves in this area are estimated to be extensive, and the future of the industry seems assured.

#### AGRICULTURE

Interest in agriculture was at a low ebb in 1942. The attraction of high wages on defence works kept many men from the land who normally devoted

all or part of their time to farming. As a result, the production of most food-stuffs declined. Supplies of all vegetables were less than normal in 1942, although the growing season was a good one and production was satisfactory.

*Live Stock.*—Conditions throughout the year were favourable for live stock but here again many men formerly interested in stock-raising found more remunerative employment on the bases. There was a heavy demand for young market pigs in the spring of 1942, and prices were so satisfactory that a number of breeders were induced to increase their herds for 1943. Dairymen had a prosperous year, and in areas where troops were stationed found some difficulty in meeting the demand. The Canadian Government assisted the Newfoundland Department of Natural Resources to obtain a number of good milch cows from the Dominion to help ease the supply position. The limiting factor in increasing live-stock production in Newfoundland is the difficulty of obtaining sufficient land on which to grow hay and fodder crops and to provide pasture. The high cost of importing feed, due to the increased freight rates and war-risk insurance, renders dairying an expensive undertaking. The price of milk was increased several times during the year.

In normal times, and given a normal growing season, sufficient potatoes and turnips can be raised for the home market. Since work on the bases started, however, production has declined, and the demand has increased (to feed service personnel and others) to the point where heavy imports have become necessary.

The year 1942 was a record one for the poultry industry in Newfoundland. More pullets (approximately 13,500) were imported than ever before; there was an increase of 35 per cent over purchases in previous years.

#### SUMMARY

The long-term outlook for Newfoundland industries is obscure. Attempts are being made to modernize the fisheries and, if attention is given this industry, it may become more secure and profitable than it has been in the past and contribute more substantially to the country's well-being. Modern fish-freezing plants are already being established, and mechanical trawling is also suggested as a post-war possibility.

Geological surveys have been undertaken to uncover mineral deposits, particularly those of strategical importance to the war effort, with indifferent success. Existing mining properties face the future with some confidence, as plant modernization will assist in maintaining their positions against outside competition in the post-war period.

There is little arable land in Newfoundland, and government land-settlement schemes have not been an unqualified success. The difficulty of obtaining food from overseas, however, may stimulate local production.

Newfoundland has suffered less from the war than almost any other part of the British Empire. The immediate outlook is less favourable, however, than for some time past, and the rationing of more and more commodities will become necessary in the future. Inflation has obtained a real hold in the country, and efforts to control it have been too late to alter conditions greatly. During the year the cost-of-living index reached an all-time high, and in December was approximately 50 per cent above the level for the base period (1938).

Food-control operations were under way at the end of the year, based on a division of the goods that could be made available from Newfoundland's three principal suppliers: Canada, the United States, and the United Kingdom. Profits from trading will reflect the lower volume handled by merchants and also the restraining influence of the price-control measures introduced.

The Government announced in January the establishment of a committee to deal with the rehabilitation of ex-servicemen and general reconstruction of the country's economy. Presided over by the Commissioner for Public Health and Welfare, the committee consists of the Commissioners for Natural Resources,



Home Affairs, and Education; the secretaries of all departments, and a number of citizens comprising advisory sub-committees.

An Industrial Development Board was organized during 1942 with the object of investigating the prospects of developing the country's natural resources and of introducing new industries. The Board has been handicapped to some extent through the pre-occupation of overseas manufacturers with war work. Nevertheless, the ground work has been laid for some constructive action when peace returns. In general it may be assumed that 1943 will show results well above the average for Newfoundland, although definitely less than for the peak year 1942.

## POST-WAR SUBSIDIES FOR AUSTRALIAN EXPORTS

Mr. K. F. Noble, Acting Trade Commissioner at Sydney, writes under date September 15, 1943, that the Minister for Commerce and Agriculture, addressing the Australian Agricultural Council, stated that, failing changed economic systems by leading nations in the post-war period, Australia would require to subsidize all exports. On the principle that returns to producers should at least equal the cost of production, "it is obviously impossible for us to increase prices and still attempt to sell in overseas markets at enhanced values". The minister further stated that Australia would have to face an extension of the principle of subsidies after the war to meet competition and provide an outlet for increased domestic production.

Dealing with production, the Minister said that Australia was producing more meat, vegetables, eggs, cheese, and dried and condensed milk than ever before, as well as canning more meat and vegetables, and dehydrating meat and vegetables for the first time in its history. Before the war Australia's production of canned vegetables was 4,500 tons a year; in 1942-43 a total of 24,000 tons were canned, with further increases planned. The dehydrated vegetable output for 1942-43 was 1,000 tons, the 1943-44 objective being fixed at 10,000 tons.

Australia's economy has been directly bound up with the wool industry, the Minister stated, and it seemed likely that Britain and America would have large stocks on hand at the end of the war. "I would consider that it would be fatal if the industry reverted to the open-market system after the war, and I believe that producers from the three main producing countries—South Africa, New Zealand and Australia—will subscribe to that viewpoint."

## COST-OF-LIVING CONTROLS IN AUSTRALIA

Mr. K. F. Noble, Acting Trade Commissioner at Sydney, writes under date September 15, 1943, that, effective July 20, the Australian Government has gazetted legislation to further control the mounting cost of living. Increases in the retail price index for the period ending in June required a cost-of-living addition to wage awards amounting to 2s. in some instances and 1s. in others. Reimbursement to employers for the additional award is guaranteed by the Government.

The price of tea was reduced to the pre-war level through a reduction of 1s. 2d. per pound in the retail price. Thus the maximum price for first-grade tea in capital cities became 2s. 3d. per pound, and for second grade 4d. less. Retailers were indemnified for losses in stocks on hand.

Similarly the price of potatoes, which had previously ranged from 2d. to 3d. per pound, has been fixed at 5 pence for 6d. Retailers were allowed one week to clear stocks, while growers' prices are to be stabilized by the payment of a subsidy to permit retail sale at the new price.

A committee consisting of the Director of Clothing and Textiles, the Prices Commissioner and the Acting Director of Rationing has been established with power to complete plans for increasing supplies of clothing and textiles and ensuring distribution at reasonable prices.

A reduction in sales tax from  $12\frac{1}{2}$  per cent to  $7\frac{1}{2}$  per cent has been approved. The effect of this concession on retail prices will become apparent as existing retail stocks are liquidated and is not expected to result in appreciable movement for a few months.

Subsidies will be paid to cover increased wholesale costs due to higher freights, landed costs, seasonal fluctuations, etc.

It is estimated that the cost to the Government of the tea and potato subsidies and the reductions in the clothing and textiles sales tax would be between £7,000,000 and £8,000,000 per annum. The cost involved in the recoupment of employers for cost-of-living increases in wages during August was estimated at £250,000 per month and would be only a temporary measure until some other method is evolved of refunding the extra costs. The Government is to confer with employers on this matter.

The prices of most essential foodstuffs have been stabilized or controlled at reasonable levels, including flour, sugar, butter, milk, bacon, cheese, and some canned goods, while ceiling prices operate in the case of meat. Rents, fares, and the prices of light, gas, power, tobacco, beverages, recreation and most other items of miscellaneous household expenditure have also been stabilized and are under effective control.

## CEILING PRICE FOR SOFT WHEAT IN THE UNITED STATES

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

New York, November 6, 1943.—Sales of soft wheat by producers and all other distributors in thirty-four states east of the Rocky Mountains have been placed under specific ceilings by Maximum Price Regulation No. 487, effective November 6, 1943.

The maximum price established at the leading terminal markets of Chicago and St. Louis for No. 1 red or white soft wheat is \$1.66 per bushel. At Kansas City the price is 5 cents per bushel lower. These prices include a commission of  $1\frac{1}{2}$  cent. Differentials on account of transportation costs are provided for wheat sold at other terminal markets. Prices on track at interior and country points are based on the terminal-market price less freight.

Maximum prices for sales by producers of wheat that is not on track are determined by deducting 3 cents per bushel from the "on-track" ceiling at the interior or terminal point where the wheat is delivered to the purchaser. These deductions are for country dealers' marketing expenses. A producer may also sell on track in carloads at the same maximum price provided for country shippers.

Customary trade practices are observed in the establishment of discounts for lower grades and of margins for commission men, handling, merchandising, brokerage, and carrying charges.

This is the first regulation bringing wheat of any kind under Office of Price Administration ceilings. Soft wheat grown in the areas concerned normally accounts for 80 to 90 per cent of the United States soft wheat production but for only 25 to 30 per cent of the entire wheat crop of the country. Hard wheat, the major crop, is not under price control at present, since market prices have not reached parity as determined by the Department of Agriculture. (A report on farm parity prices in the United States was published in *Commercial Intelligence Journal* No. 2015: September 12, 1942.)

Soft wheat was brought under price control to check a rapid rise in market prices for this commodity that started last July and which, if continued, would tend to increase the cost of living.



## UNITED STATES END-USE CONTROL OF PULP

W. D. WALLACE, OFFICE OF THE CANADIAN TRADE COMMISSIONER

New York, November 9, 1943.—At a recent meeting of the Association of Pulp Consumers, held at New York, it was announced by the new Office of Pulp Allocations that complete control with respect to the ultimate use of pulp through government determination of products of essentiality will be put into effect at the beginning of the year. Starting January 1, the War Production Board will direct the use and delivery of wood-pulp so that there will be produced the quantities and types of paper, board and other products which the Board considers essential. The Requirements Committee, which has fixed the amounts for such critical materials as copper, aluminum and steel, will determine the quantities of these products to be considered essential.

### DETERMINATION OF ESSENTIALITY

In order to determine the essentiality, the War Production Board is asking the pulp mills to indicate their production and distribution for the first quarter of 1944. Likewise the paper mills are being requested to estimate the quantities and types of paper they produce, as well as the amount and grades of pulp they will need for this period. The War Production Board will give each section of the industry a specified list, not exceeding ten groups, for this purpose, and from this information will draw up the new pulp allocations.

In allocating pulp on the new quarterly basis, the War Production Board will follow its former policy of distributing the pulp so as to ensure maximum utilization of waste paper and other substitute fibres.

### REDUCED CONSUMPTION

The pulp supply situation is considered serious. Inventories of pulp in the hands of non-integrated mills declined from 480,000 tons at the close of September, 1942, to 231,000 tons at the end of September, 1943. During the same period inventories of waste paper dropped from 579,000 tons to 292,000 tons, and pulpwood stocks declined from 4,000,000 cords in September, 1942, to 2,800,000 cords a year later.

If the War Production Board finds that the supply of pulp in the first quarter is not sufficient to meet all demands for paper and board, limitation orders may be issued to reduce consumption.

## RESTRICTIONS RELAXED FOR PARCEL POST TO CENTRAL AND SOUTH AMERICA AND THE CARIBBEAN AREA

The United States Post Office Department has announced that, in view of the limited improvement in shipping conditions to the destinations concerned, the present restrictions on size and weight have been removed with respect to parcel post and other packages for civilian addresses in Central America, South America, and the Caribbean area.

The restrictions prohibiting the mailing of more than one package per week by or on behalf of the same sender to or for the same addressee is relaxed to the following extent:

Packages may be of the normal weight and size prescribed for the particular destination concerned.

Senders may mail a group of packages to or for the same addressee instead of a single package, provided that:—

- (a) The total weight of the group packages does not exceed the normal weight prescribed for a single package to the destination concerned; each package of the group may, however, be of the prescribed dimensions.
- (b) The entire group of packages to or for one addressee, or to or for more than one addressee, in the case of packages mailed by an agent, must be mailed at the same time.

The special limitations imposed with respect to packages for members of the United States armed forces overseas are not affected by the foregoing.

The term "Caribbean area" as used in this notice denotes the islands in and surrounding the Caribbean Sea, including Trinidad and the Bahamas but not including Bermuda.

## BUILDING MATERIALS IN THE UNITED KINGDOM

*From The Times Trade and Engineering Supplement*

For many centuries the materials and methods of construction used in building in this country were traditional. Those employed in the Middle Ages, as revealed in medieval payrolls, were not in the main dissimilar from those used in the eighteenth century. But with the advent of the Industrial Revolution, an era of change began which has continued ever since and is the result of technical, economic, and social developments.

That the future, both immediate and more distant, will witness further changes cannot be doubted, but they are likely to be evolutionary rather than revolutionary, reflecting the growth of tendencies which were visible before the war. This evolutionary development, however, will certainly be accelerated by after-war conditions: the demands upon the building trade will be heavy and sustained, for, apart from other requirements, the great shortage of housing accommodation will have to be met and the reconstruction of the blitzed areas will have to be undertaken, while at the same time there will be for a period an inadequate supply of skilled labour to meet these needs. When the war ends there will probably be a deficiency of at least 275,000 skilled men in the building trades.

The influence of other factors will also be felt. For example, the requirements of the home market will need correlation with those of countries devastated by the war and those of the normal export trades, while as the United Kingdom will emerge from the war as a debtor country, its imported supplies of goods and materials are not likely to be so abundant as before the war. Admittedly, for most of its requirements the building industry depends on domestic production, but for a few materials—some of them of great importance, such as timber—it relies mainly on imports.

For these reasons, among others which could be adduced, it is clear that if the country's housing and allied needs after the war are to be met within a reasonable period of time the choice of materials and methods of construction must be largely governed by the supply of skilled labour available, the need for economy in the use of imported materials, and time-saving methods of erection.

### PREFABRICATION

If this estimate of the position is correct, it follows that prefabrication must play an important part in the building trade in the future. In simple terms it may be described as the production and fitting together of the materials and



component parts required for building operations in the factory or workshop instead of on the site. Obviously it facilitates production on a large scale and thus not only makes for efficiency and economy in output with reliable and standardized products, but also eliminates waste and minimizes the risk of faulty construction.

Prefabricated components only need assembling. For example, rafters and partitions can be dispatched from the factory sawn to exact lengths and correct angles, compactly bundled, and lettered to prevent confusion and mistakes in fitting. Floorboards, too, can be delivered in finished form with the ends as well as the edges tongued and grooved. In this way a great saving in labour, material, time, and transport is effected.

The prefabrication of simple components already covers a wide field. Over one hundred separate concrete building units are in regular use in this country, ranging from floor-beams and lintels to door-frames and staircases, and all of them are made to standard dimensions and specifications. In made-up joinery the range is even wider, and is extending every year. Another aspect of prefabrication is seen in the use of tubular steel scaffolding. The use of numerous prefabricated components is, in fact, already accepted in modern constructional practice, and there are numerous signs that after the war prefabrication will be applied to the whole building instead of to certain portions and components. Groups of manufacturers already prefabricate certain units to agreed standards, and prefabrication from foundation to roof is only a matter of technical co-ordination.

It is worth noting, too, that co-ordinated prefabrication can be adapted to the needs of existing buildings. The latest types of kitchen units, for instance, can be installed in existing kitchens without damaging the plaster or walls, whether the rooms, walls, and corners are of regular or irregular shape, the expense of fitting, cutting, mitring, and other operations being thereby avoided.

#### CEMENT AND CONCRETE

In line with this trend towards co-ordinated prefabrication are certain developments—some in evidence long before the war and others quite recent—in the use of many building materials. Two decades ago the concrete unit was in its experimental stage, but to-day such units are produced by numerous reputable manufacturers in standardized designs, dimensions, and quality. Present war-time requirements have led to their production on a large scale for special purposes and for use under rigorous conditions, and much additional knowledge and experience have thus been gained which can be used after the war for improvements in design and technique. Certainly there is likely to be a great extension in the use of pre-cast concrete products, whether small items such as sills and steps or large members such as hollow roof and floor beams and portal frames, while it is claimed that the technique of light-weight aggregate which has been developed during the war will prove of value in house construction.

#### LAMINATED BOARDS

Great progress has also been made during the war, particularly in the United States, in the science of wood fabrication. Laminated boards from 50 feet to nearly 100 feet in length and over 2 feet in width can now be produced. In fabricating them, boards of ordinary length are reduced to thin laminations, scarfed at the ends to ensure a perfect join with the corresponding lengths at either end, and then bonded and compacted into homogeneous "wood" by means of waterproof glue and heavy pressure. In this way boards of any desired length, breadth, or thickness, curved or straight, can be produced. In some of the drill-halls erected in the United States since the war there are laminated

arches over 100 feet wide which give a clear span without the need of any additional support and yet carry a combined weight and pressure stress of nearly 1 cwt. a square foot of roof surface.

This development is important to the home-grown timber trade of the United Kingdom, for the drawback of the limited length and girth of the native logs can be overcome by skilful fabrication and lamination. Further, good casein glues suitable for the bonding are made in this country, and its woodworkers certainly possess the requisite skill.

#### SAWDUST AND WOOD WASTE

In the timber trade, too, much more attention will be given in the future to the elimination of waste and to the practical utilization of much material formerly regarded as of little value. It is quite possible that sawdust may become a valuable commercial product for the manufacture of wood-concrete, synthetic building boards, roofing sheets, rainwater gutters, fancy furniture "wood," and other products. Wood-concrete bricks made of sawdust, chloride of lime, and cement are well known in Germany, and are now being made in this country. Rough wood shavings and chippings have also been utilized for the manufacture of non-inflammable sheets which are claimed to be of great strength and resistant to water, insects, sunshine, and frost. Such materials can also be moulded into panels for cabinets, doors, etc., and pressed into such forms as rainwater gutters, cornices, and skirtings.

#### WOOD SUBSTITUTES

Wood substitutes have been in common use in the building trade in this country for many years. Well known among them are asbestos-cement sheets, plaster boards, and wood-pulp boards, and their popularity is not likely to decline. Recently the view has been expressed that native straw, which is at present cheap and in abundant supply, is worth investigation. On the Continent it has for many years been wired into large rigid building panels and also into matting for many uses. Mechanically combined with other ingredients and also after suitable chemical treatment, it is claimed to have definite possibilities as a convenient wood-substitute material.

#### PRESSED METAL

In view of the speed and simplicity with which they can be fixed, it is reasonable to expect a big increase in the use of pressed metal skirtings after the war. Types are now being made which form easily accessible ducts for electric light and telephone wires. The base-board portion of these fittings is detachable, and easy access to the interior thus obtained. Additional wires can be installed without damaging the walls. No screws or splicing plates are required for attaching the removable parts, while as the floating front maintains firm contact with the floor-boards, linoleum or carpet, as the case may be, draughts are excluded. These modern types can also be fitted without the use of special tools, and no corner-pieces are needed.

#### SLATES

In spite of the durability and other advantages which a slate roof provides, there does not seem any likelihood of the slate industry enjoying any marked revival of prosperity after the war. In the quarrying and mining of slate the material wasted is very large compared with the resultant output of finished slates. Improvements in machinery enable the proportion of waste to be substantially reduced, but the cost of such modern equipment is high, as slate is hard and intractable material to cut or drill.



## BRICKS

As regards bricks, they have many advantages which suggest that they will continue to hold their place in the building trade. They are cheap, readily obtainable, and quickly laid; they are prefabricated and adaptable for buildings of all sizes; and they can be used not only for both internal and external walls but also for floors, hearths, pathways, manholes, and many other purposes. In addition, as a bulk building material they are economic, for a thousand bricks represent more than two solid cubic yards.

## CONTROL OF EXPORTS FROM CANADA

### ADDITIONS TO LIST OF PRODUCTS AFFECTED

By Order in Council P.C. 8689, effective November 18, 1943, flounders and soles, fresh or frozen, filleted or not, included in Group 2 (Animals and Animal Products), are added to the list of commodities the exportation of which from Canada to any destination is prohibited except under permit issued by the Export Permit Branch, Department of Trade and Commerce.

## TARIFF CHANGES AND TRADE REGULATIONS

### New Zealand

#### CHANGES IN LICENSING REGULATIONS FOR GIN AND OTHER PRODUCTS

A memorandum issued by the New Zealand Department of Customs states that eighth-period (i.e. 1944) licences available for imports of gin from the United Kingdom may be utilized for the importation of gin from other British countries provided the total quantity imported by the licence-holder from all British sources under eighth-period licences does not exceed the quantity imported by him from those sources under his fifth-period (1941) licences.

Undercarriage springs not provided for elsewhere in the tariff, suited for the manufacture or repair of vehicles, and saddlery, harness, whips and whip-thongs are transferred from the category for which no allocation was to be made in 1944 to the category of "controlled" goods, for which applications for licences are to be considered individually in relation to actual requirements.

Anvils, forges and hearths are added to the list of goods of which imports are being arranged by the New Zealand Ministry of Supply.

### Australia

#### IMPORT LICENSING REGULATIONS CHANGED

Australian import licensing regulations were amended on October 1, 1943, in respect of some commodities imported from non-sterling countries, such as Canada, by placing the following goods under "Administrative Control", that is, instead of imports being regulated by fixed quotas, each application for a licence is dealt with on its merits: carbon manufactures of all kinds (except carbon brushes), unspecified lamps, alarm clocks, unspecified time registers and detectors, peptone, potassium hydroxyquinoline sulphate, vitamin B<sub>1</sub>, mohair alpaca yarns, sponges, olive oil, and certain seeds and nuts for the manufacture of oils.

The licensing period for goods of non-sterling origin is six months.

## EXEMPTION FROM DUTY OF GIFTS FOR THE ARMED FORCES

An amended regulation respecting gifts for the armed forces was published by the Australian Customs and Excise Office on September 20, 1943. Under the new regulation, no customs duty or sales tax is chargeable on imports of the following into Australia:

1. Goods not for sale or exchange, not exceeding in value £10 sterling in any period of twelve months, being sent or brought to Australia by: a member of the Defence Force serving outside Australia; a person ordinarily resident in Australia who is serving with the Naval, Military or Air Forces of the United Kingdom; a person serving with any nursing service, voluntary aid detachment, Red Cross society, ambulance association or any similar body or association attached to any part of the Defence Force; a person who is a representative, attached to or accompanying any part of the Defence Force, or any organization that is providing philanthropic, welfare or medical services for members of any part of the Defence Force; a member of any police force attached to or accompanying any part of the Defence Force.

2. Goods not for sale or exchange, not exceeding in value £10 sterling in any period of twelve months, being sent to a member in Australia of: the Naval Forces; the Australian Imperial Force; the Air Force; the Australian Army Nursing Service.

3. Goods not for sale or exchange, not exceeding in value £10 sterling in any period of twelve months, being sent to any member serving in Australia of: any Naval, Military or Air Forces of the United Kingdom or of any other part of His Majesty's dominions (other than the Commonwealth); any naval, military or air forces of any foreign power allied or associated with His Majesty in any war in which His Majesty is engaged.

4. Goods not for sale or exchange, not exceeding in value £10 sterling in any period of twelve months, being sent to a person not ordinarily resident in Australia: who is serving in Australia with any nursing service, voluntary aid detachment, Red Cross society, ambulance association or any similar body or association attached to any of the forces specified in the last preceding paragraph; who is a representative, attached to or accompanying any of the forces so specified, or any organization which is providing philanthropic, welfare or medical services for members of any of those forces; or who is a member of any police force attached to or accompanying any of the forces so specified.

5. Goods imported by and being the property of the American Red Cross, to be used in Australia for the welfare of the members of the Naval or Military Forces of the United States, or of war victims.

6. Goods imported by and being the property of the Government of the United Kingdom or of any part of His Majesty's dominions (other than the Commonwealth) or of the Government of any foreign power allied or associated with His Majesty in any war in which His Majesty is engaged, for sale in Australia in canteens of the Naval, Military or Air Forces of the United Kingdom, part of His Majesty's dominions or a foreign power, as the case may be.

7. Goods sent to any child who is an overseas child within the meaning of the National Security (Overseas Children) Regulations by the parent or guardian of that child.

## TARIFF RULINGS

Recently published Australian customs decisions as to the tariff classifications and rates of duty on articles regarding which question has been raised include the following:—



Artificial silk handkerchiefs,  $22\frac{1}{2}$  per cent ad valorem under the British preferential tariff,  $47\frac{1}{2}$  per cent ad valorem under the general tariff (item 122A).

Electric motors, alternating current or direct current, not exceeding  $\frac{1}{2}$  horsepower and 110 volts, having a holding coil or holding slot for railway-signal mechanisms and for train-stop mechanisms, free under the British preferential tariff, 15 per cent ad valorem under the general tariff (by-law under item 174Y).

Wood tar for use in the manufacture of oakum, under security, free under the British preferential tariff and 15 per cent ad valorem under the general tariff (by-law under item 404).

Forks and spoons for table use, tinned, whether such tinning is done by a dipping process or by electric deposition, 20 per cent ad valorem under the British preferential tariff,  $43\frac{3}{4}$  per cent under the general tariff (item 197A).

Recorders, indicators and controllers, and any combination thereof, for the measurement and/or control of conductivity, salinity, acidity, alkalinity and turbidity of liquids and certain apparatus therefor, free under the British preferential tariff, 15 per cent ad valorem under the general tariff (by-law under item 174Y).

Molybdenum strips for all purposes, free under the British preferential tariff and 15 per cent ad valorem under the general tariff (by-law under item 404).

Canadian goods under the above items, having the required content of Canadian and/or Australian material and labour and shipped in accordance with Australian regulations, are entitled to the British preferential rates. Goods from all countries outside the British Empire are subject to the general tariff.

## Trinidad

### CONTROL OF IMPORTS FROM BRITISH WEST INDIES MODIFIED

The Trinidad Control Board announced on November 3, 1943, that licences will be granted for the importation of goods that are produced or manufactured in the British West Indies, British Guiana and British Honduras and qualify for admission into Trinidad under the British preferential tariff without regard to quota or price limitations.

### IMPORT RESTRICTIONS ON CLOTHING RELAXED

The Trinidad Control Board gave notice on October 15, 1943, of a modification of the import prohibitions affecting clothing, which were published in the *Gazette Extraordinary* on May 29, 1942. Under the heading "men's and boys' suits, coats, waistcoats and trousers", there was a prohibition on suits exceeding \$4.80 c.i.f. in value, and this value has been raised to \$15. As regards "other garments", there is a corresponding rise from \$2.40 per piece to \$9.

There is an extension of value in respect of the permitted classes of women's and girls' clothing. The prohibition continues as regards women's and girls' costumes and dresses exceeding in value \$8 c.i.f. each as compared with \$4.80 formerly; and on coats, skirts, blouses, mantles and cloaks exceeding \$5 in value as compared with a former \$2.40.

The import prohibition formerly applied to children's rompers exceeding in value \$1.20 c.i.f.; this value has been advanced to \$2, and for children's garments from \$1.20 to \$2.40.

**Peru.****DUTY ON VEGETABLE OILS**

Mr. W. G. Stark, Acting Trade Commissioner at Lima, writes that, by a ruling reported in the Peruvian Customs Bulletin of May, 1943, oil from soy beans, maize, turnips, etc., for the manufacture of margarine and edible oils, will be admissible into Peru, by assimilation, under item 1454 of the customs tariff, which covers peanut and sesame oils destined for the preparation of edible oils. The basic duty under this item is 0.10 sol per kilogram gross weight (1.7 cents Canadian per 2.2 pounds), plus a surtax of 20 per cent of the duty.

**FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING NOV. 15, 1943**

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, November 15, 1943, and for the week ending Monday, November 8, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Nov. 8	Nominal Quotations in Montreal Week ending Nov. 15	Official Bank Rate
Great Britain. . . . . Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. . . . . Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico . . . . . Peso	.4985	.2284	.2284	4
Jamaica . . . . . Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. . . . . Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2775	.2781	—
Brazil. . . . . Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana . . . . . Dollar	1.0138	.9313	.9313	—
Chile . . . . . Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. . . . . Peso	.9733	.6358	.6358	4
Venezuela . . . . . Bolivar	.1930	.3330	.3330	—
Uruguay. . . . . Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5885	.5883	—
South Africa. . . . . Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India . . . . . Rupee	.3650	.3359	.3359	3
Australia . . . . . Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. . . . . Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—



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C. M. CROFT, *Director*

---

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**



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## CURRENT SITUATION IN THE CUBAN DRIED-FISH MARKET

J. E. O'NEILL, OFFICE OF THE CANADIAN TRADE COMMISSIONER

Havana, November 1, 1943.—Since June 1, when the local Price Control Board removed the ceiling price of 27 cents per pound on imported codfish (bacalao) and introduced a system whereby prices are worked out on a landed-cost basis plus 30 per cent for the importer-wholesaler and retailer, upwards of 400,000 pounds of imperial and large codfish have been sold to the Havana market. Before the price adjustment went into effect, this market had been practically closed to Canadian codfish for more than a year, as it was impossible to handle the commodity profitably at the ceiling price established by the Price Control Board. Occasionally a small lot of fish found its way into Havana's black market, where it was sold at exorbitant prices, but otherwise trading in imported codfish had come to a standstill.

Since trade was resumed, all Canadian fish shipments have been routed through Santiago de Cuba for transshipment to Havana by rail.

Current prices for imperial and large codfish are \$16.20 and \$15.75 respectively per 100 pounds f.o.b. Lunenburg. The Canadian product is now retailing freely in Havana at from 33 to 35 cents per pound and is usually available at all grocery stores. Although this price places it beyond the reach of the poorer classes, who in normal times are the principal consumers, the demand nevertheless has been greater than the supply, and consequently considerably larger quantities can be absorbed if they are available. The quality of the fish

reaching this market is excellent, and it has been most favourably received by both dealers and consumers.

#### SANTIAGO DE CUBA

Sydney, October 1, 1943.—The meat supply position in Australia has been the trade demands a cheaper type of fish that could be profitably sold at the former fixed price of 27 cents per pound. Therefore, while shipments have been irregular and there have been periods when supplies were exhausted, the Santiago market has continued to be open to Canadian exporters, whose only difficulty was the delivery of supplies. Stocks are reported to be fairly ample at the present time.

Current net prices f.o.b. Lunenburg for medium and small fish are \$17.55 and \$17 respectively, in drums of 128 pounds.

### BRAZILIAN IRON AND STEEL INDUSTRY

#### L. S. GLASS, CANADIAN COMMERCIAL ATTACHÉ

Rio de Janeiro, October 26, 1943.—It was not until the first quarter of the nineteenth century that any attempt was made to reduce iron ores in Brazil. At that time three smelters were installed to meet the requirements of a few small local foundries. By the beginning of the twentieth, other smelters were in operation and the production of pig reached 2,000 tons annually. With the proclamation of the Republic in 1889, greater interest was taken in the development of a national iron industry. Inducements in the form of tariff and tax concessions, as well as guarantees of minimum consumption at lucrative prices, subsidies and government loans, were offered those who would enter this business.

This period of development during which the industry was supported almost entirely by local interests, without outside capital or assistance, continued until 1920, when the first contract was signed with the Itabira Iron Ore Company. At this time the annual production had increased to 14,056 tons. By 1925 the output had more than doubled to 33,707 tons, and it had increased by 1936 to 78,418 tons. This marked the beginning of what might be considered a third stage in the development of the industry, which was further advanced by war-time conditions, and foreign participation in national development coupled with active government assistance. Production of pig iron during the first war years was: 1939, 160,016 tons; 1940, 185,548 tons; 1941, 207,346 tons.

At present there are in operation sixteen smelters, ten of which are located in the State of Minas Gerais, four in Rio de Janeiro, and one each in the States of Sao Paulo and Parana. The capacity of the Minas Gerais smelters is estimated at 300,000 tons, but they operate at only approximately 60 per cent of capacity, due to the shortage of vegetable charcoal, which is universally used throughout the industry.

#### STEEL PRODUCTION

Although the smelting of ore has been carried on in Brazil for well over one hundred years, it was not until 1921, when the Companhia Siderurgica Belgo-Mineira came into operation, that steel was produced. In 1924 the total production was 4,492 tons, and this steadily increased until in 1938 it was 92,420 tons. As in the case of so many other products, the war gave great impetus to the production of steel, and in 1942 the estimated output (actual figures not available) was 160,000 tons as compared with approximately 150,000 tons in 1941 and 135,000 tons in 1940. At present there are twelve enterprises producing



steel in Brazil, operating thirteen Siemens-Martin furnaces, thirteen electric furnaces and seven converters. The most important of these companies are Companhia Siderurgica Belgo-Mineira, which accounts for approximately 59 per cent of the total production, followed by Companhia Brasileira de Usinas Metalurgicas, producing 17 per cent, and Companhia Brasileira de Mineracao e Metalurgia, producing 14 per cent. Therefore these three organizations account for 90 per cent of total production.

### MINERAL DEPOSITS

Brazil is well supplied with the raw materials necessary for the development of an iron and steel industry, over 20 per cent of the world's available iron ore deposits being distributed over practically every state of the Union. The most noteworthy of the ore deposits is that commonly termed "Itabira", lying along the valley of the Rio Doce. It is estimated that there are over four billion tons in this deposit, of which 30 per cent is compact hematite, free of sulphur and phosphorus, with an iron content of around 70 per cent. Limestone is plentiful, particularly in the State of Minas Gerais, and is in close proximity to the iron deposits. Deposits of dolomite are also being explored, and the indications are that ample and accessible supplies will be available.

Brazil is well known as an exporter of manganese, and in 1941 the Central do Brasil Railway alone carried over 800,000 tons. At present the carbon used in the iron and steel smelters is of vegetable origin. Recent experiments, however, on the coking qualities of Brazilian coal from the State of Santa Catharina have given excellent results, which indicates that this coal may be used 100 per cent in the production of pig iron. Brazil also has unlimited supplies of good timber for the production of vegetable charcoal. The country is not well supplied with refractories, with the exception of silica aluminum. Deposits of chrome and magnesite are being worked, but the former mineral is not particularly adapted for refractories, and the latter is found only in small quantities of poor and non-uniform grade and in areas difficult of access. Other raw materials, such as tungsten, vanadium, etc., are found in Brazil and are now being explored; these are primarily for wartime export but will be available for national industrial use after the war.

In the two pre-war years 1937 and 1938 Brazil imported respectively 132,000 and 93,000 tons of unprocessed iron and steel. There were also imported 301,000 and 181,000 tons of manufactured goods. Included under the heading of manufactured goods were the following:—

#### *Brazilian Imports of Manufactured Goods*

	1937 Tons	1938 Tons
Galvanized sheets, corrugated and flat . . . . .	16,800	9,500
Barbed wire . . . . .	22,800	20,700
Iron wire, bare . . . . .	40,000	21,000
Tinplate . . . . .	56,000	39,000
Rails . . . . .	84,000	40,000
Tubes . . . . .	53,000	30,000

It will be noted that even before the war there was a falling off in the imports of both manufactured and unmanufactured iron and steel, due almost entirely to the growth of the Brazilian industry. Both the falling-off and the local development have been accentuated by the war.

As previously mentioned, the Brazilian industry is operating at only about 60 per cent of capacity, due largely to the shortage of vegetable charcoal. This

shortage is due chiefly to the present inadequacy of transportation, which in turn is suffering from fuel shortage and a scarcity of maintenance material, a situation which will be most difficult to correct while the war continues.

When hostilities cease, however, it may be expected that Brazil's iron and steel industry will show rapid development. Most of the required raw materials are plentiful and, from large-scale tests made in the United States, Brazilian coal, found in the State of Santa Catharina, is suitable for coking purposes.

#### GOVERNMENT ENTERPRISE

The present capacity of the siderurgic plants will be greatly increased as soon as the Companhia Nacional Siderurgica comes into production. This is a government enterprise established at Volta Redonda, a short distance outside the city of Rio de Janeiro, approximately 400 kilometers from the Itabira deposits and less than 600 miles by sea from the coal deposits in Santa Catharina. The projected productive capacity of the plant is 342,000 tons annually, made up of 80,000 tons of rails, 42,000 tons of commercial shapes, and 120,000 tons of sheet. For the first year of production 185,000 tons are scheduled and for the second year 242,000 tons. Thus, with the present figure of approximately 350,000 tons, plus the projected capacity of 342,000 tons, Brazil will have a potential output of 700,000 tons of steel. In 1937 the total imports of iron and steel and manufactures of these products were 433,000 tons, which, together with local production, is considerably less than the national industry expects to produce after the war. It has been the desire of the Brazilian Government to make Brazil, as far as possible, self-sufficient as regards basic industries and, in the matter of iron and steel, it would appear that this objective will be achieved.

#### CHILEAN ECONOMIC CONDITIONS

M. J. VECHSLER, CANADIAN COMMERCIAL ATTACHÉ

Santiago, October 30, 1943.—Chilean economic conditions have not shown any marked change during recent months. The latest period for which returns are available is June and July. Manufacturing output for the first seven months of 1943 shows a slight decline from the volume recorded for the comparable period of 1942. Wholesale prices in July show an increase of 7.4 per cent as compared with the corresponding month of 1942.

However, as compared with July, 1942, Chile's foreign trade showed a slight decline. Imports were heavily reduced, being valued at 47,000,000 pesos, a decline of 15,300,000 pesos as compared with the corresponding month of last year.

Total exports for the first seven months of 1943 (excluding currency and precious metals) reached a value of 512,500,000 pesos, while imports were valued at 322,000,000 gold pesos. When compared with the corresponding returns for 1942, exports have declined by slightly more than one per cent and imports by somewhat over 10 per cent.

#### FINANCE

Commercial bank credits rose by 72,100,000 pesos, totalling 3,519,100,000 pesos. Deposits, on the other hand, declined by 81,300,000 pesos, and at the end of July amounted to 3,352,600,000 pesos. During the first six months of 1943, deposits increased by some 700,000,000 pesos.



## INDUSTRIAL ACTIVITY

Coal production, which in July reached 209,145 tons (one of the highest returns up to the present) was 18,310 tons greater than in the same month of 1942. The number of miners employed increased to 19,029 from 16,621 in the same month of 1942.

The index of mining production as a whole declined by 8.8 per cent (1927-29=100) to 96.2 per cent.

## MANUFACTURING

The index of production in manufacturing industries shows a decline in comparison with the corresponding period of 1942. There were increases in the outputs of pitch, sugar, footwear, coke, matches, and textiles, while the production of cement, beer, soap, knitting wool, paper, tobacco products, and glass declined. Factory sales showed a reduction of 1.2 point. On the other hand, the power and light index rose by 8.1 per cent over the comparable figure for 1942.

## WAGES

The wage index, at 438.6 for the month of July, shows an increase of 60.1 points, or 16 per cent in comparison with July, 1942. Wages paid during the month amounted to 237,800,000 pesos, which, as compared with the corresponding period of 1942, indicates an increase of 290,600,000 pesos or 15 per cent.

## COST OF LIVING

For the first time during the current year the general index of the cost of living showed a decline in July, the latest month for which returns are available. The index fell from 364.7 in June to 359.9, or by 1.3 per cent. The decline was occasioned by a seasonal fall in the prices of meats and vegetables amounting to 2.4 per cent. As compared with the corresponding period of 1942, this was an increase of 19.2 per cent.

## WHOLESALE PRICES

Wholesale prices in July showed a rise of 55.7 points over those of July, 1942, the equivalent of 7.3 per cent. Although wholesale prices of mineral products and nationally manufactured goods increased, this was offset in the index by a decline in prices of agricultural and live-stock products. Quotations for imported goods showed only slight variation.

There were declines in the prices of certain varieties of beans and peas, wines, wools and eggs. The level for cereals was maintained, but prices of certain meat products fell slightly.

The rise in the sub-index of mineral products rose as a result of an increase in nitrate prices, while the rise in the sub-index of nationally manufactured products resulted from increased prices of certain alimentary products, stimulants and textiles. During the period the prices of coffee, yerba mate and pepper increased slightly.

## EXCHANGE

The different rates of exchange in terms of the United States dollar, that is the special, the export, and the general or D. P. (disponibilidades propias) have been maintained without change. The rate for the United States dollar showed a slight decline on the free market, the average quotation in August being 30.88

pesos as compared with 31·38 pesos in July and 31·66 in August, 1942. Since August it has strengthened somewhat, and at date of writing was being quoted at 31·50 pesos.

The price of gold per 100 Chilean pesos continued its uninterrupted upward movement, and in August reached a value of 955 paper pesos, which was 206 pesos above the quotation for August, 1942.

### THIRD ESTIMATE OF ARGENTINE GRAIN CROP ACREAGES, 1943-44

Mr. W. B. McCullough, Assistant Commercial Attaché at Buenos Aires, reports under date October 25, that the third official estimate of the area sown to grain crops in Argentina in 1943-44 was announced by the Argentine Department of Agriculture on October 22. According to this forecast, the total area sown, exclusive of that to corn, is 34,358,105 acres, an increase of 2·1 per cent over the figure for the previous year and of 1 per cent over the second estimate, announced on September 17.

As compared with 1942-43, the wheat and flaxseed acreages show decreases of 0·4 per cent and 4·6 per cent respectively, while those for other grains show increases as follows: barley, 22·7 per cent; oats, 10·6 per cent; rye, 5·1 per cent; and birdseed, 3·2 per cent.

As compared with the current grain-crop acreages and the average for the five years 1938-39 to 1942-43, wheat and flaxseed acreages show decreases of 8 per cent and 15 per cent respectively. These reductions were due to the low prices ruling for these grains and the Government's policy of reducing sowings of these crops. On the other hand, the flourishing condition of the live-stock industry has accounted for the increase in the area sown to oats and rye for forage. As compared with the five-year average, the areas sown to oats and rye show increases of 37 per cent and 50 per cent respectively.

### AGRICULTURAL NOTES FROM ARGENTINA

W. B. McCULLOUGH, ASSISTANT COMMERCIAL ATTACHÉ

#### Potatoes

Buenos Aires, October 25, 1943.—On account of supplies of table potatoes being limited, owners of potatoes in excess of 50 sacks are required, by an executive decree issued on October 18, to declare their stocks including the place of storage, to the local authorities before October 23. Retail sales of table potatoes in the local markets are limited to 2 kilos per person per purchase.

#### Fourth Cotton Crop Estimate

According to the final estimate by the National Cotton Board, issued on October 7, the production of cotton in Argentina in 1942-43 will be 107,000 metric tons. This figure is greater than the previous estimate by 12,000 tons, the increase being attributed to the very favourable weather conditions during the latter part of the growing season. This is a record cotton crop for Argentina; the previous high was 80,957 tons produced in 1935-36. The Cotton Board state that, due to the improvement in varieties, the yield of fibre from the 1942-43 crop is 32·9 per cent as compared with the average for 1933 to 1937 of 27·4 per cent.

#### Wool Sales

The Department of Agriculture reports that wool sales at the Central Wool Market, including private warehouses in Buenos Aires and Avellaneda, recorded



by the Wool and Sheep Division during September totalled 3,930 metric tons valued at 3,253,829 pesos as compared with 4,112 tons valued at 4,143,589 pesos for August. The figures for September, 1942, were 9,163 tons which sold for 13,790,079 pesos.

The wool market continues firm. The average prices for fine wool in September improved slightly as compared with the August prices. Crossbred wools and mediums have been in good demand, although corresponding average quotations are slightly below those for the previous month. This is due to the lack of stock of good quality wool at the time, and transactions have been recorded for inferior wool. Prices of coarse wool have been the same as those prevailing in August, although the volume has been larger.

The average prices in pesos per 100 kilos for fine wool in September, 1943, are as follows, corresponding quotations for September, 1942, being shown within parentheses: fine, 13·43 pesos (14·88 pesos); fine cross, 13·38 pesos (17·82 pesos); medium cross, 9·46 pesos (11·99 pesos); coarse cross, 7·75 pesos (8·55 pesos).

### **New Minimum Beef Prices**

As a result of the recent agreement reached with the British Ministry of Food, on behalf of the United Nations, to acquire the entire exportable surplus of Argentine meat, the Argentine Department of Agriculture, through the National Meat Board, issued a decree on October 11 establishing new minimum beef prices to be paid to the producer. These prices are in effect as from August 23.

The new fixed minimum prices as compared with the previous fixed prices show an increase of 2·4 centavos per kilo for clean meat of the grades which conform to the export classes chilled and frozen class B. Similarly the new prices represent an increase of 4·5 centavos for the grades used for the manufacture of corned beef and dehydrated meat.

## **DEVELOPMENT AND WELFARE IN THE BRITISH WEST INDIES**

G. A. NEWMAN, CANADIAN TRADE COMMISSIONER

Port of Spain, October 20, 1943.—In the British West Indies there are now close to 2,750,000 inhabitants, of whom approximately 50 per cent are located in the colonies of the eastern Caribbean and the other 50 per cent in Jamaica, the Bahamas, British Honduras and Bermuda. The original Carib Indians have all but disappeared, being replaced by the numerous descendants of African slaves, intermingled, in Trinidad and British Guiana, with large numbers of East Indians brought in under indentured labour schemes. They form the broad base of the British West Indian population, to which may be added a sprinkling of other races.

The coloured labourers, earning wages (which prior to the outbreak of war were very low) on agricultural estates or in sugar factories and certain other industries, are the foundation of a social pyramid in each colony; merchants, estate-owners, and business executives make up the middle class, while the colonial administration officials, with the Governor, comprise the uppermost section.

Each class is without a close working arrangement with the other two, so that the community of each colony lacks self-momentum for social progress. The impetus for improvement has been left largely to the respective colonial administrations, whose officials were in office in any one colony for too short a period to permit of any far-reaching policy being implemented.

A Royal Commission appointed to inquire into conditions in 1937 directed attention to the urgent necessity for large expenditure on education, health

services and housing, and to the need for the establishment of labour departments, the provision of social welfare facilities, and a land-settlement scheme.

Perhaps its most important recommendation, in view of the social set-up of the British West Indies, was that a separate organization be appointed to review social conditions constantly, to submit necessary schemes for improvement, and to administer the funds required.

The British Government, in the main, followed the recommendations. Funds were made available under the Colonial Welfare and Development Act of 1940, which expires in 1951 and permits expenditure on colonial welfare schemes, apart from research, up to £5,000,000 per annum. No specific amount was allocated for schemes for the British West Indies, but a Statement of Policy on Colonial Development and Welfare, contained in the White Paper of February, 1940, indicated that expenditure for the British West Indies would be approved on a scale approximating the amount suggested in the Royal Commission's recommendations.

With the appointment of Sir Frank Stockdale on September 1, 1940, as Comptroller of Development and Welfare in the British West Indies, the separate organization envisaged by the Royal Commission began to take shape. His recently published report\* is a résumé of the work of this organization for the two years ending November, 1942. It is really a series of reports by the Comptroller and his colleagues, specialists in their own fields, on public health, agriculture, fisheries, labour, social welfare, and education. In general the attitude taken in the report is that the object of social development is to help the people help themselves, and throughout this multiform social examination there is common agreement as to the lack of a sense of social responsibility on the part of the people concerned. The development of self-respect and community responsibility thus becomes one of the prime objects to be achieved by the Comptroller.

#### PUBLIC HEALTH

Housing conditions require attention in practically every colony in the British West Indies. The development of public health units, trained personnel, better water supplies, and better housing, when materials are available, are envisaged in the schemes that are now in hand.

#### AGRICULTURE

The report notes the Royal Commission's statement that "agriculture is the principal source of sustenance and wealth in the West Indies, and the standards of living must largely depend on the intensive use of the soil", and adds that "it is clear that a much more intensive use of the cultivable land is necessary if the increasing population is to be able to maintain a reasonable standard of living, and that greater attention should be given the local production of increased supplies of foodstuffs and the development of animal husbandry".

In the past the emphasis has been largely on the estate production of commercial crops, with dependence on supplies of imported foods and materials. Unfortunately, in recent years, sugar and most other tropical produce have brought poor prices on world markets, while the prices of imported necessities of life have been comparatively high.

The policy of the Comptroller of Welfare, therefore, to encourage increased mixed farming, especially more animal husbandry (milk being one of the greatest needs in the British West Indies), is of high importance as there is little prospect at present of reducing the already large population by mass migration.

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\*Development and Welfare in the West Indies, 1940-42; published by His Majesty's Stationery Office, 1943.



Some of the most noteworthy features of the whole report are found in the following three paragraphs dealing with sugar:—

The standards of living of the West Indies are very largely dependent on the volume of exports of sugar and the price obtained. The International Sugar Agreement has been suspended, at least for the duration of the war, and sugar producers have responded well to the Ministry of Food's request for increased production of sugar; the limiting factors have been: (i) crushing capacity; (ii) the compulsory obligation placed on estate owners by the local Governments to grow food for local consumption; (iii) labour shortage due to defence works—this has applied especially in Trinidad, Antigua and St. Lucia; and (iv) shortage of shipping. Nevertheless, in the war-time production of sugar, most of the Colonies have exceeded the amounts of their peace-time basic export quota. Jamaica, for example, has passed the extra 50,000 tons mark recommended by the Royal Commission; this is mainly due to the ravages of the *Cercospora* disease of bananas, which has caused large numbers of the small growers to turn to cane cultivation for a livelihood. Similarly, in Trinidad, large areas of cocoa have been ruined by Witchbroom disease, and the only immediate alternative cash crop in sugar-cane. In order to main the existing social standards, Barbados and British Guiana also require to expand their sugar output to the maximum extent that world conditions permit.

The possibility of a return to the pre-war volume of sugar exports is therefore viewed with much misgiving as to the economic and social consequences of a restriction in output. These problems have been discussed with sugar manufacturers and their associations and, without prejudice to their claims for increased export quotas, they have indicated their desire to co-operate in the development of alternative farming systems. Recommendations for financial assistance to improve the efficiency of all sections of the sugar industry have been submitted, and grants for experimentation with stock and extension of animal husbandry have been approved or are under consideration in respect of every sugar-producing Colony in the British West Indies.

The British West Indies Sugar Association places the strongest emphasis, however, on consumption research to determine new uses for the sugar-cane and its products. This matter is under the consideration of the Colonial Products Research Council, and it is also being examined by the Anglo-American Caribbean Commission.

### FISHERIES

Carbohydrates (ground provisions) are readily produced in the British West Indies, but the colonies have been obliged to rely on fish for most of their protein diet. It is estimated in the report that the normal consumption of fish in the Eastern Group of the British West Indies amounts to 25,500,000 pounds per annum, of which only 11,000,000 pounds were produced locally, the rest being obtained in the form of salt and canned fish in various forms from Newfoundland or Canada.

Surveys are now being made with a view to expanding the local fishing industry, which is considered to be quite capable of contributing much more to the local diet than in the past.

### LABOUR

The report recognizes that the building of the United States bases in a number of the British West Indian colonies has mitigated the unemployment problem under wartime conditions and at the same time has provided increased wages with which to meet the steadily rising cost of living, which has advanced by 80 per cent or more since the beginning of the war. It is also recognized that the United States base-construction work is of a temporary character and that in the near future there must arise the problem of the readjustment of labour to the usual employment conditions.

The appointment of social-welfare officers, the development of welfare associations to co-operate with government services, collaboration among the existing organizations for social good, such as churches, schools and voluntary groups, and improvement in the work of government institutions are among the many aspects of the plans in hand to improve living conditions in the colonies.

### EDUCATION

In the British West Indies the nominal school age is from four to sixteen years, although attendance usually falls off rapidly after the age of twelve years. The Comptroller of Development and Welfare and his colleagues find that, as an instrument for social progress, education needs to be greatly improved.

One of the gravest difficulties is the recurring cost of good teaching staffs. It is estimated, for example, that to provide a sufficient number of teachers for an attendance of 90 per cent of the children of school age would require an appropriation for salaries of £2,000,000 annually as against an actual expenditure of £640,000 on elementary school teachers' salaries in 1941. An effort is being made to improve these conditions.

### EXPENDITURE

When the report was presented (November, 1942), schemes for welfare development costing some £1,202,725 had been approved, further schemes entailing an expenditure of £844,266 were before the Secretary of State for approval, and plans providing for an expenditure of £3,847,333 were under consideration.

### AUSTRALIAN WHEAT SITUATION

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, cabled under date November 17, 1943, regarding the Australian wheat situation as follows:—

Stocks of wheat in Australia at November 1 were approximately 163,000,000 bushels, with the rate of export increasing during October. The weather continues generally unfavourable, but there are no widespread reports of pests or plague. The crop estimate is now 96,000,000 bushels as compared with 158,400,000 last season. Largest declines are reported from Victoria, South Australia and West Australia, where the crop is 15,000,000 bushels as compared with 37,000,000 last year and is the lowest crop for twenty-one years. Lack of fertilizers will affect yields in West and South Australia until the post-war period.

### AUSTRALIAN TRADE AND ECONOMIC NOTES

K. F. NOBLE, ACTING TRADE COMMISSIONER

#### Australian Sugar Production

Sydney, October 1, 1943.—The production goal established by the Commonwealth Government for the year 1944-45 is 600,000 tons of raw sugar, the same as for 1943-44, although it is expected that only 570,000 tons will be harvested during the coming season.

Additional supplies of nitrogenous fertilizer are being obtained from Chile and will be supplied to the sugar industry on a subsidy basis. Arrangements have been made for the release of 2,200 men—1,700 from the Civil Constructional Corps and 500 from the army—to work in the cane fields during the current cutting season. Men released from the army will be granted leave without pay and will be paid according to the sugar award rates.

During the 1942 season the amount of sugar manufactured in Australia was 627,000 tons as compared with 721,000 tons for 1941. Sales of refined sugar in Australia and New Zealand combined were 38,000 tons less in the half-year ending March 31, 1943, than in the corresponding period of 1941-42. In the full year, however, sales in the two countries reached a record level of approx-



imately 500,000 tons, due to heavy pre-rationing demands which resulted in sales during the winter of 1942 exceeding those of the previous winter by 44,000 tons.

### **Shipbuilding Program**

The new Australian shipbuilding program calls for 120,000 tons of merchant ships, which will include thirty fast steamers specially designed for inter-state and island trade. The present proposals are to construct ten ships of 6,000 tons, ten of 4,000 tons, and ten of 2,000 tons.

The total cost of the program, including about £6,000,000 left from the unfinished portion of a previous 9,000-ton construction program and the building of certain small craft, will be approximately £40,000,000. About 14,000 operatives will be employed. Expenditure of £4,000,000 was previously authorized for the construction of ships for the coastal trade, in addition to £12,000,000 already approved.

Australian shipyards are also engaged in filling naval orders ranging from motor patrol boats to Tribal-class destroyers, as well as barges and landing craft for the United States and Australian forces.

The dockyards in Australia are actively engaged on repair work resulting from enemy action, and have also undertaken the normal running repairs formerly carried out at Hong Kong and Singapore. As a result, the resources of the shipyards are taxed to capacity. In the first four months of this year 1,090 ships, totalling 4,262,000 tons, were repaired and maintained in Australian ports.

Both the Admiralty and private enterprise have entered the field of Diesel engine construction. Capital needs for the Service are valued at £1,000,000.

### **Rural Employment**

The number of male rural workers in the Commonwealth has decreased by about 150,000 to 350,000 since the outbreak of war, but the total number of women workers in rural employment has increased from 20,000 to 55,000.

A scheme has been approved to use selected Italian prisoners-of-war on farms in the custody of the private employer. Not more than three prisoners-of-war may be allotted to any one property, and they will be paid by the Commonwealth at the rate of 1s. 3d. per day, while employers, in addition to providing rations and quarters, will pay the Commonwealth £1 per week for each prisoner-of-war in the initial stages of the scheme. The rate is subject to upward revision by the Department of Labour and the Department of National Service as the usefulness of the prisoner-of-war increases. The army will be responsible for clothing, medical and other attention, as required by international law.

One reason for the decrease in the numbers of rural employees is the fact that nearly 50,000 men are employed in the Civil Constructional Corps, of whom 10,610 were volunteers. Owing to the large percentage of the population represented by the 820,500 members of the combined Australian forces, action is being taken to have numbers of men released, either on a temporary or permanent basis, from the army for rural work.

### **Availability of Agricultural Machinery**

About 2,500 tractors are expected to be received in Australia from the United States to increase food production in this country. The tractors will be received under lease-lend and paid for in food supplied to the American forces in Australia.

A large number of mechanical pea-cultivators and potato-diggers, as well as other farm implements are being received under lease-lend. The machinery will be hired out to farmers through the District War Agricultural Committees.

A large munitions establishment, as well as private plants, has also been converted to the manufacture of agricultural machinery needed to expand food production.

### Wool

The tendency in Australian wool production is towards less emphasis on superfine wools and more on merinos and fine crossbreds, which will meet the normal bulk of the demand.

During 1942-43 the value of shipments of this commodity amounted to more than 40 per cent of Australian exports. The average price per pound for greasy wool of the 1942-43 clip was 13·898d., with state averages as follows: New South Wales, 13·61d.; Victoria, 14·98d.; Queensland, 13·79d.; South Australia, 12·47d.; Western Australia, 13·53d.; Tasmania, 17·15d.

For the season 1943-44 the amount to be retained by the Commonwealth Wool Committee in respect of participating wools will be the same as for the 1942-43 season—5 per cent of the appraised value.

The British Government contract for the purchase of Australian wool has now extended over four seasons and has covered 14,400,000 bales worth £260,000,000. This compares with the previous British wool purchase covering 3½ seasons, which ended on June 30, 1920, during which period 7,154,621 bales were purchased at a value of £160,587,000.

To June, 1943, total receipts by Australian growers from Britain since the commencement of the wool purchase scheme in 1939 amounted to £247,205,810.

### Australian Loan Council Decisions

On July 16 the Loan Council approved gross government loan expenditures for 1943-44 totalling £10,973,259, as compared with £11,415,000 for 1942-43, and additional borrowings by semi-government and local authorities of £1,777,900 as against £1,524,750 for 1942-43. A large proportion of both government and semi-government expenditure involved in the program will be for the war effort, while the semi-government total included two amounts of £250,000 each to New South Wales and Victoria as contingent provision for the purchase of land for post-war housing developments.

### Butter and Dairy Products

In 1941-42 butter production dropped considerably, but for the period July, 1942, to May of this year there was an increase over the figure for the corresponding period of the previous year. Figures for July-May for the last three years are: 1940-41, 175,319 tons; 1941-42, 150,987 tons; 1942-43, 157,383 tons. Total production for 1942-43 is estimated at 180,000 tons, but final figures up to June 30 are not yet available.

Australia now exports 20,000 tons less butter per year than before the outbreak of war. The Commonwealth Government contracted to supply the United Kingdom with 70,000 tons of butter during the year ending June 30, 1943. In the year ending June 30, 1939, exports totalled 90,289 tons. In order to be able to maintain shipments to Britain, butter rationing was introduced on June 7 last at the rate of one-half pound per person per week, coupons to be current for two weeks. It is expected that by this means shipments to Britain can be increased above the amount guaranteed by the Australian Government.

### Production of Machinery in Australia

Australia has made considerable progress in the production of machine tools. Whereas at the beginning of the war 3 firms were producing machine tools in quantity, 100 firms are now engaged in making a wide variety of these



goods. At present, domestic production exceeds importation in the ratio of three to one. The manufacture of precision tools has likewise been extended. Until recently only 5 firms were producing them in quantity, whereas 190 firms are now filling orders totalling 26,000 units daily.

A new quartz-cutting machine has been developed for the production of radio transmitter crystals, which will reduce the labour time from that of two skilled men for three days to an unskilled operation of thirty-two minutes.

### Public Debt of the Commonwealth

The public debt of the Commonwealth on March 31 last was £1,954,343,725, as compared with £1,583,178,207 on the same date in 1942, representing an increase of £371,165,518. Indebtedness per head of population was £271 11s. 3d. as against £222 9s. 2d. in 1942 and £186 5s. 3d. per head on September 30, 1939. Since the outbreak of war the debt has risen by £655,162,652, made up of £665,728,886 borrowed on account of the present war less a reduction of £10,566,234 on other accounts.

### Tobacco Situation

About 80 per cent of the 30,000,000 pounds of tobacco manufactured domestically in Australia is imported from the United States, the remaining 6,000,000 pounds being grown principally in the State of Queensland. The average price received by the grower and paid for imported leaf is the same—2s. 6d. per pound.

Efforts have been made to step up local production, but the scarcity of manpower and fertilizers, the absence of the necessary humidity during the growing period and other disadvantages have handicapped such developments. Losses through plant disease are such that tobacco is not a productive bulk crop. Some increase in domestic production may be expected, but Australia will remain largely dependent upon imported leaf.

## NEWFOUNDLAND FOOD CONTROL REGULATIONS

R. P. BOWER, ACTING TRADE COMMISSIONER

St. John's, November 8, 1943.—The Newfoundland authorities recently decided that it was in the best interests of this country to curtail the importation of live cattle for local slaughtering and to increase the fresh-meat quota correspondingly. To implement this policy they agreed upon a conversion figure of 500 pounds of dressed meat for each live animal surrendered. This step was taken to conserve shipping space, to conserve animal feeds in Newfoundland and to facilitate the equitable rationing of available meat supplies within the country. On November 6 the Food Controller stated that it was the Government's intention to introduce a scheme that would ensure that every retailer of meat in the country would receive a fair share of the available meat supplies, based upon his sales in previous years.

The restriction on the importation of live stock will also facilitate price control of meats, since there has long been a considerable difference in the costs of imported chilled meat and of locally slaughtered meat. With these arrangements now in force, the Food (Current Prices) Order No. 34 was issued, to become effective November 8, 1943, establishing a retail selling price for certain cuts of meat and providing that other cuts or types may not be sold at prices higher than those ruling on November 6, 1943.

The cuts of meat and the prices per pound established are as follows: shank or hock, 20 cents; frying beef, 45; stewing beef, 35; roast beef (fore quarter), 50; roast beef (sirloin), 60; sirloin steak, 70; round steak, 65; Hamburger steak, 55 cents.

## SCIENTIFIC MARKETING OF AFRICAN PRODUCE

*From The African World*

As General Smuts and other far-sighted observers have discerned, the whole of the African continent is on the threshold of a new era, during which its manifold natural resources will be developed and utilized on a scale perhaps hitherto beyond contemplation. That being so, it becomes all the more imperatively necessary that competent measures should be introduced with the object of ensuring efficiency and simplification in marketing every variety of produce, especially in regard to export business.

It would be a fatal mistake to defer consideration of the subject, whatever part of Africa be affected, or to condone laxity and irregularity, however slight, whether in respect of quality or nomenclature, for once a practice becomes established, it is difficult to eradicate any undesirable features.

"Old" countries are less fortunately situated, for they derive their customs from the distant past and primitive conditions, when a range of comparatively low hills, a river, or even a strip of swampy marshland, sufficed to prove a formidable barrier to the adoption of anything resembling uniform terminology, while grading was not even in the picture. Further disparities were due likewise to the operation of historical factors, even within the limits of a single country. No one could have expected the average Northumbrian of Alfred's day to be in frequent or intimate contact with Wessex, for instance.

Even to-day there are countless apparent anomalies in the United Kingdom. Commodities, both crude and manufactured, may be, and actually are, known, and sold under several designations—half a dozen sometimes—largely, yet not exclusively, as a matter of locality. Then again, a name employed in one part of the country occasionally has an utterly different application elsewhere, the incongruity being so great that there is no possible relationship between the two articles. Even with manufactured goods in common use, a circumstance that should conduce to some uniformity, a term employed to indicate a particular grade in one part of England bears an entirely dissimilar interpretation in another district. These divergencies are, of course, an inheritance—an encumbrance difficult to shake off, though the 1914-18 war, involving the necessity for control, did in fact do a little towards ironing out irregularities.

### CANADA SETS AN EXAMPLE

No doubt sundry African territories, both individually and collectively, have not been quite devoid of such annoying complexities; yet there is still time in many directions, particularly where it is a case of handling anything that may be regarded as a new or relatively new commodity. Some years ago one of the Canadian Ministers of Agriculture stated emphatically that the Dominion's conspicuous success in marketing its agricultural and other produce was almost entirely due to efficient and accurate grading. He was referring at the time to export business; but naturally the procedure indicated is quite acceptable to Canadian purchasers, who are as anxious as other businessmen to know what they are buying and selling.

But for this arrangement it would be utterly impossible, even in normal times, to negotiate daily large transactions with numerous buyers overseas without involving an immense amount of extra work and consequent waste of time at both ends. Furthermore, apart from such obvious advantages, standardization effects a great saving in cost, thus enabling Canadian shippers to compete more successfully abroad in one of the keenest branches of commerce.

True, the system in its initial stages did not attain unqualified success or command universal approval, so far as cereals are concerned. Indeed, various protests were lodged, notably by British Chambers of Commerce and grain



trade associations; but defects were gradually eliminated or reduced, resulting in a greater measure of satisfaction. The method, of course, is not by any means confined to Canada, and is naturally applied to many commodities besides cereals; but the reference to wheat illustrates the point that it is desired to emphasize.

In dealing with processed goods it is even more necessary, in specific cases at least, to ensure that some well-defined standards are observed, as in regard to full-cream cheese, for example, it being an essential part of the bargain that it must contain the whole of the cream originally appertaining to the milk employed. Even so, different types of cheese may be evolved from milk of identical quality, and this fact may necessitate complementary grading, rather from the standpoint of efficient marketing, whereas stipulations as to composition are a guarantee that the article conforms to definite nutritional requirements.

Manufacturing, again—if we may use the word as somewhat distinct from mere processing—raises a rather different set of questions, for precise standardization may not always be either feasible or desirable; yet there should nevertheless be some measure of agreement within the industry itself, whereby a recognized nomenclature will furnish reasonable indications as to the nature and quality of goods produced, even though permitting at the same time sufficient latitude for individual enterprise and ingenuity. Thus if an article be made from a definite portion or constituent of a particular raw material, there can be general acceptance of the fact, with the corollary of recognized grading.

Moreover, it is obvious that where commodities, whether crude or processed, are offered to manufacturers, they must comply with positive guarantees if the business is to work satisfactorily, because in default of such system, buyers would be under the necessity of adjusting their formulae day by day—at the convenience of suppliers too careless to study their legitimate interests. For instance, if a concern buys “sun-dried” copra, the consignment must consist of that type exclusively, without any admixture of “kiln-dried”. Similarly, mandioca starch must of necessity be 100 per cent starch, not 75 per cent starch and 25 per cent finely ground root. Incidentally, the method of extracting the starch should also be implicit in the trade description; but the point is that the recipient factory's product is made to a rigid standard, and if a defective ingredient of a proprietary article, let us say, is incorporated in thousands of branded packets, widespread dissatisfaction and permanent loss of trade may ensue.

#### OFFICIAL AND UNOFFICIAL GRADING

Where grading is under official control, it is customary to issue a certificate indicating that goods conform to the required standard, or else to affix some administrative mark; and, of course, it is an offence to sell the goods except in accordance with the specification. However, especially with fully manufactured articles, it is not always necessary that work should be undertaken officially. Indeed, many certificates are issued by independent experts recognized by certain commercial associations. These experts, however, are generally entrusted principally with the duty of testifying only as to the nature, weight and condition of merchandise, though on occasion they may also be requested to determine the grade. But their inspections in any case are regarded as valid, and the relevant certificates accepted as final evidence.

While naturally essential to secure accuracy in indications of quality, the great point in reference to nomenclature is to obtain uniformity, so that a particular designation will be an adequate guarantee of some recognized standard. Neglect of this precaution simply involves multiplication of terms for the same grade, or—what is infinitely worse—a single designation may imply two, three or more irreconcilable grades, according to local custom. There is this advantage about export business, however, that it virtually constitutes a

bottleneck, therefore making it much easier for those concerned to observe uniformity in regard to grades and appellations. Meanwhile, it cannot be too strongly emphasized that failure to comply with the necessities of the case must involve endless disappointment and therefore continual loss of business to any firms in Africa who attempt to sell their goods in England or any other market overseas. Better to recognize palpable facts than to kick against a stone wall.

On the other side of the account, there is the indisputable fact that quality grading—i.e., distinguishing between first, second and third quality—is highly profitable, for failing such guarantees the customer naturally bases his valuation and price on the very lowest type that he may receive—not even on the average. The grading of East African sisal, I believe, benefited the producers almost immediately to the extent of at least £1 per ton.

### IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to October 30, 1943.

	Unit	Total Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to October 30, 1943	
				Quantity	Per Cent
Whole milk. . . . .	Gal.	3,000,000 per calendar year	6½ to 3¼c. per gal.	5,985	....
Cream. . . . .	Gal.	1,500,000 per calendar year	56½ to 28½oc. per gal.	782	....
Filleted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish. . . . .	Lb.	17,804,128 per calendar year	2½ to 1½c. per lb.	14,138,811	79.3
Seed potatoes . . . . .	Bu.	1,500,000 beginning Sept. 15, 1943	75 to 37½c. per 100 lb.	75,793	5.0
White or Irish potatoes, other than seed potatoes. . . . .	Bu.	1,000,000 beginning Sept. 15, 1943	75 to 60c. per 100 lb. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30	39,176	3.9
Red cedar shingles. . . . .	Sq.	2,506,072 per calendar year	Free	1,227,991	48.9
Silver or black foxes, furs and articles: *Foxes valued under \$250 each and whole furs and skins . . . .	No.	100,000 beginning Dec. 1, 1942	50 to 35% ad val.	45,658†	45.6
Tails . . . . .	Piece	5,000 beginning Dec. 1, 1942	50 to 35% ad val.	463	9.3

\* The duty on live foxes of 15 per cent ad valorem, the rate under the Tariff Act of 1930, is not affected by the Agreement.

† Imports from Canada of 45,658 foxes valued at under \$250 each and whole furs and skins are for the period December 1, 1942, to April 30, 1943. For the period May 1 to November 30, 1943, the United States set the quota allotment at 33,229 for all countries, and for the period May 1 to October 30, 1943, the quota was filled. However, there is no indication in the statement by Treasury Department as to what proportion of these imports was supplied by Canada.

The Treasury Department also reports that, for the twelve months beginning May 29, 1943, the following quantities of wheat and wheat flour entered



or were withdrawn from warehouse for consumption under the import quotas established by the President's proclamation of May 28, 1941, as modified by proclamations of April 13, 1942, and April 29, 1943:—

	Quotas		Imports May 29 to October 30, 1943	
	Wheat Bus.	Wheat Flour and Other Products Lb.	Wheat Bus.	Wheat Flour and Other Products Lb.
Canada . . . . .	795,000	3,815,000	795,000	180,230
Other countries . . . . .	5,000	185,000	Nil	Nil

TARIFF CHANGES AND TRADE REGULATIONS

Australia

IMPORT LICENSING REGULATIONS AMENDED

Mr. K. F. Noble, Acting Trade Commissioner at Sydney, writes under date September 1, 1943, that the Division of Import Procurement of the Australian Department of Trade and Customs has called on importers of toilet combs (Item 308), imports of which from non-sterling countries are at present prohibited and from sterling countries are on a basis of 100 per cent of base-year imports, for a detailed statement showing separately quantities and values of toilet combs imported from (a) sterling countries and (b) non-sterling countries during the base year ended June 30, 1939.

The importation of that quantity of toilet combs considered essential for the year 1944 will be allocated pro rata among importers who file statements showing their participation in the trade during the normal pre-war year.

The Division of Import Procurement has also called for a detailed examination of crude asbestos supplies, including quantities of stocks on hand and full particulars of the specific manufactures for which the material is required. Importers are to furnish base-year returns covering importations from Canada and South Africa during the twelve months ended June 30, 1939.

Imports of crude asbestos, which is item No. 21A in the list of unspecified items in the Australian Customs Tariff, are at present on a quota basis of 50 per cent of base-year imports when of non-sterling origin and are under administrative control when from sterling sources.

British Honduras

DUTY ON PRESERVED MILK OF LOW FAT CONTENT REDUCED

A British Honduras Ordinance, assented to on October 23, 1943, amends the tariff on preserved milk by removing the differentiation between milk containing not less than 8 per cent butterfat and milk containing less than that percentage. The new rates on preserved milk, regardless of butterfat content, are free under the British preferential tariff and 5 per cent ad valorem under the general tariff. These rates formerly applied to preserved milk containing not less than 8 per cent butterfat. On milk containing less than 8 per cent butterfat, the former rates were 25 per cent ad valorem British preferential tariff and 50 per cent ad valorem general tariff.

Peru

CONTROL OF IMPORTATION AND DISTRIBUTION OF CATTLE HIDES

Mr. W. G. Stark, Acting Trade Commissioner at Lima, writes that a Peruvian decree of May 28, 1943, creates a committee charged with the purchasing and distribution of untanned hides in Peru. The committee consists of the Fiscal Price Controller, who presides, and four representatives of Peruvian

tanneries. Untanned hides produced in Peru will be sold only to the committee. The importation of untanned hides may be made only when covered by a prior authorization from the Ministry of Finance. Such imports will only be authorized when national production is insufficient to satisfy the needs of the market. The committee may, however, import untanned hides with prior ministerial authority in order to build up a reserve stock. The purchase and sale prices will be fixed by the Government.

#### DUTY-FREE ENTRY OF LARD

Mr. W. G. Stark, Acting Trade Commissioner at Lima, advises that, under a Peruvian ministerial resolution of July 18, 1943, hog lard has been made free of duty on entry into Peru. It was previously dutiable at 0.20 sol per kilogram gross (about  $1\frac{1}{2}$  cent per pound). The sale price of imported lard must correspond to the cost plus an increase of 5 per cent for wholesale importers and 15 per cent for retail merchants.

#### FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING NOV. 22, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, November 22, 1943, and for the week ending Monday, November 15, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Nov. 15	Nominal Quotations in Montreal Week ending Nov. 22	Official Bank Rate
Great Britain. . . . . Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. . . . . Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico . . . . . Peso	.4985	.2284	.2284	4
Jamaica . . . . . Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. . . . . Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2781	.2782	—
Brazil. . . . . Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana . . . . . Dollar	1.0138	.9313	.9313	—
Chile . . . . . Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. . . . . Peso	.9733	.6358	.6358	4
Venezuela . . . . . Bolivar	.1930	.3330	.3330	—
Uruguay. . . . . Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5883	.5883	—
South Africa. . . . . Pound	4.8666			
	Bid	1.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India . . . . . Rupee	.3650	.3359	.3359	3
Australia . . . . . Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. . . . . Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—



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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**



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## UNITED STATES FEED SITUATION

W. D. WALLACE, OFFICE OF THE CANADIAN TRADE COMMISSIONER

New York, November 20, 1943.—Recent reports by the Bureau of Agricultural Economics on the United States feed situation indicate that prospective supplies of feeds and hay for the 1943-44 marketing year are with the exception of those for 1942-43, the largest on record.

The 1943 production of corn, oats, barley and grain sorghums was estimated on September 1 at 112,800,000 tons, 9 per cent below that of last year. Production plus the carryover of these grains at the beginning of the 1943-44 season gives a total supply of 132,800,000 tons, the second largest on record but 7.4 per cent smaller than in the previous year.

In relation to the record number of live stock on farms on January 1, the total supply of feed concentrates per animal unit is estimated at 12 per cent less than for 1942-43. However, by drawing on reserve supplies of feed grains, disappearance of feed concentrates per animal unit may be about equal to that for the 1940-41 season, but will be smaller than last year. Imports of feed wheats, oats and barley from Canada will help to supplement the domestic feed grain supplies for 1943-44.

Despite the fact that during the past year price ceilings were placed on corn and nearly all by-product feeds, feed-grain prices have risen about 37 per cent. It is expected that feed prices will average higher in 1943-44 than in 1942-43, but further increases above the present level will be limited by ceiling prices.

## CORN

Although favourable weather conditions in the central and eastern sections of the corn belt have resulted in an increase in the estimated total production of corn, the 1943 crop is expected to be smaller than the record 1942 production.

The following table shows the production, carryover, supply and disappearance of corn for the years 1940 to 1943:—

*United States Corn Supplies*

October 1	Production	Carryover	Supply	Disappearance
	Figures in 1,000 Bushels			
1937-41 average . . . . .	2,582,151	468,685	3,050,836	2,447,164
1940 . . . . .	2,462,320	687,623	3,149,943	2,491,312
1941 . . . . .	2,675,790	644,970	3,320,760	2,808,928
1942 . . . . .	3,175,154	492,399	3,667,553	3,262,553
1943 . . . . .	3,055,605	373,000	3,428,605	.....

The 1943 corn crop as of October 1 is placed at 3,055,605,000 bushels and is 119,549,000 bushels, or 4 per cent, below the 1942 record production of 3,175,154,000 bushels. The area sown to corn this year is placed at 94,297,000 acres as compared with 89,484,000 acres in 1942, but the yield was only 31·7 bushels as against 35·5 bushels per acre in that year.

The carryover of corn is estimated at 373,000 bushels. Thus the total supply for 1943-44 is placed at 3,428,605,000 bushels on October 1, 1943, a decline of 6·5 per cent from the 1942 figure of 3,667,553,000 bushels.

OATS

The following table shows the supply and distribution of oats in the United States for the years 1940 to 1943:—

*United States Oat Supplies*

July 1	Production	Carryover	Supply	Disappearance
	Figures in 1,000 Bushels			
1937-41 average . . . . .	1,129,976	173,459	1,303,435	1,108,916
1940 . . . . .	1,245,388	148,391	1,393,779	1,179,431
1941 . . . . .	1,180,663	223,312	1,403,975	1,206,082
1942 . . . . .	1,358,730	194,507	1,553,237	1,365,297
1943 . . . . .	1,148,692*	244,190	1,392,882*	.....

\* Estimate for October 1, 1943.

Preliminary estimates as of October 1, 1943, place the 1943 oats production at 1,148,692,000 bushels, a decrease of 15·4 per cent from the 1942 crop of 1,358,730,000 bushels. The estimates indicate that 37,944,000 acres were harvested and that the yield per acre was 30·3 bushels. In the previous year 37,899,000 acres of oats were harvested, and the yield was 35·9 bushels per acre.

With a carryover of 244,190,000 bushels of oats and a production of 1,148,692,000 bushels, the estimated supply on October 1 for 1943-44 is placed at 1,392,882,000 bushels, a decline of 10·3 per cent from the figure for the previous year.

BARLEY

The following table shows the supply and distribution in the United States of barley for the years 1940 to 1943:—

*United States Barley Supplies*

June 1	Production	Carryover	Supply	Disappearance
	Figures in 1,000 Bushels			
1937-41 average . . . . .	285,540	49,511	335,051	270,353
1940 . . . . .	278,163	58,246	367,190	298,214
1941 . . . . .	362,082	69,518	431,600	349,209
1942 . . . . .	426,150	81,284	507,434	421,048
1943 . . . . .	330,212*	104,036	434,248*	.....

\* Estimate for October 1, 1943.



The production of barley was estimated as of October 1, 1943, at 330,212,000 bushels, a decrease of 22.5 per cent from the 1942 figure. The decrease is attributed to a decline in both the acreage and the yield per acre as compared with the previous year. The 1943 area is estimated at 15,106,000 acres as compared with 16,782,000 acres in 1942, while the yield is only 21.9 bushels per acre as against 25.4 bushels.

#### FEED SUPPLIES AND DISAPPEARANCE

After making allowances for the quantities of feeds consumed since July of this year and estimating the quantities available for the July-September period of 1944, the total supplies of concentrated feeds (corn, oats, barley, grain sorghums, wheat and rye and by-product feeds) for the year 1943-44, beginning October 1, are estimated at 156,600,000 tons, or 9 per cent below the 1942-43 supplies of 171,200,000 tons. Grain-consuming animal units on January 1, 1944, are placed at 175,000,000 as compared with 158,900,000 on January 1, 1943, an increase of 11 per cent. Thus the supply per animal unit available for 1943-44 will be 0.89 ton as against 1.08 ton in the previous year, a decrease of 18 per cent. Total disappearance of feed concentrates is estimated at 137,200,000 tons, or 0.78 ton per animal unit, as compared with 141,700,000 tons in the 1942-43 period, or 0.89 ton per animal unit. On this basis disappearance per animal unit would be 13 per cent smaller than a year ago but 3 per cent above the 1937-41 average disappearance of 0.75 ton per animal unit.

#### FEED PRICES

According to the Bureau of Agricultural Economics, the strong demand for all types of feed is holding prices of corn and by-product feeds at ceiling prices in the principal markets. Due to the fact that supplies of feeds are too small to meet the commercial demand, daily prices in many of the markets are largely nominal.

The following table shows prices of specified feeds for October, 1941 and 1942, and for the months of August, September and October, 1943:—

#### *United States Feed Prices*

	Oct. 1941	Oct. 1942	Aug. 1943	Sept. 1943	*Oct. 1943
	Dollars per Bushel				
Corn, No. 3 yellow, Chicago . . . . .	0.695	0.773	1.065	1.065	1.065
Oats, No. 3 white, Chicago . . . . .	0.437	0.468	0.715	0.772	0.838
Barley, No. 3, Minneapolis . . . . .	0.553	0.607	1.077	1.149	1.201
Wheat, No. 2 hard, Kansas . . . . .	1.122	1.205	1.398	1.458	1.525
By-product feeds—	Dollars per Ton				
Bran, standard, Chicago . . . . .	28.60	32.00	39.90	39.80	39.80
Middlings, standard, Chicago . . . .	28.75	32.60	39.90	39.80	39.80

\* Grain prices are averages for the week ended October 16, 1943; by-product feed prices are averages for the week ended October 12, 1943.

The price of Nov. 3 yellow corn at the Chicago market advanced from 69.5 cents per bushel in October, 1941, to 106.5 cents in the August-October period of 1943, a gain of 54.1 per cent.

No. 3 white oats in the Chicago market increased from 43.7 cents per bushel in October, 1941, to 83.8 cents in October, 1943. The October, 1942, price was 46.8 cents, while in August and September of this year the price ranged from 71.5 to 77.2 cents per bushel.

No. 3 barley price at Minneapolis was 55·3 cents per bushel for October, 1941, and increased by 87·5 per cent to 120·1 cents per bushel in October, 1943.

Bran and middlings at Chicago remained steady at about \$39.80 per ton during the August-October period of this year as against \$32 per ton in October, 1942.

### HAY

The Bureau of Agricultural Economics reports that growing conditions throughout the United States have been favourable for hay crops and, as a result, the United States has the second largest crop on record, exceeding the previous highs established in 1916 and 1942.

The following table shows the production, carryover, supply and disappearance of hay for the years beginning May 1, 1940 to 1943:—

#### *United States Hay Supplies*

May 1	Production	Carryover Figures in 1,000 Tons	Supply 1,000 Tons	Disappearance
1940. . . . .	94,767	11,097	105,864	92,910
1941. . . . .	94,238	12,954	107,192	95,932
1942. . . . .	105,328	11,260	116,588	103,190
1943. . . . .	97,229*	13,398	110,627*	.....

\* Estimate for October 1, 1943.

According to the foregoing table, the 1943 hay crop is placed at 97,229,000 tons, or 8,099,000 tons less than the record 1942 crop. Of the total production, 11,357,000 tons are expected to be wild hay, 32,473,000 tons alfalfa hay, and 27,934,000 tons clover-timothy hay. The total production of 105,328,000 tons in 1942 consisted of 13,083,000 tons of wild hay, 36,547,000 tons of alfalfa hay, and 28,276,000 tons of clover-timothy hay.

The 1943 carryover of hay from the previous year amounted to 13,398,000 tons, and this, added to the production of 97,229,000 tons, gives a supply of 110,627,000 tons as against 116,588,000 tons in 1942. This is a decline of 5·4 per cent but is larger than in any other previous year. The number of hay-consuming animals on farms on January 1 is placed at 86,816,000, an increase of 1,451,000 units over the number recorded for January 1, 1943. Allowing for this increase, hay supplies are about 7 per cent smaller than last year per consuming unit. The supply per animal unit is estimated at 1·27 ton as compared with 1·37 ton in 1942.

### OUTLOOK

Due to the smaller supply of feed concentrates in relation to live stock on the farms, the rate of feeding per animal unit will be lower in 1943-44 than in the previous year, and stocks of feed grains will be reduced. If a considerable part of the reserve stocks of feed grains and feed wheat now on hand is consumed before the close of the 1943-44 marketing year, feed disappearance may be about as large per animal unit as the 1937-41 average of 0·75 ton. With disappearance of feed grains running at a high level through September this year, it seems likely that a larger than usual proportion of the total supply will be consumed during the first half of the marketing year. Consequently a shortage of feed supplies would become most serious during the spring and early summer of 1944.

As a result of droughts in the South and East and prospects for smaller supplies of feed available for shipping to areas of scarcity, it is expected that considerably less feed will be available per animal unit in some parts of the country than the average for the past five years.



## PRICE CONTROL IN NEWFOUNDLAND

R. P. BOWER, ACTING TRADE COMMISSIONER

St. John's, November 22, 1943.—By Food (Current Prices) Order No. 35, effective November 14, 1943, the Commissioner for Public Health and Welfare, established a price of 95 cents per dozen for imported eggs in Newfoundland. The previous Order had established the price at 85 cents a dozen, so that this latest regulation legalizes an increase of 10 cents per dozen.

By Food (Current Prices) Order No. 36, effective November 14, 1943, the ceiling price of white granulated sugar, when sold in sacks of 100 pounds or more, is increased by 25 cents per sack to \$10.50 per sack at port of importation.

When sold at places other than the port of importation in quantities of one or more sacks, the price shall not exceed \$10.50 per sack of 100 pounds plus a sum equivalent to the actual cost of transportation from the port of importation to the place where the sale shall take place. When sold retail, that is in quantities of less than one sack, at the port of importation, the price shall not exceed 12 cents per pound. At other points the price shall not exceed 12½ cents per pound.

## CONTROL OF FOODSTUFFS IN NEWFOUNDLAND

R. P. BOWER, ACTING TRADE COMMISSIONER

St. John's, November 15, 1943.—The maintenance of adequate supplies of foodstuffs for the Newfoundland civilians has presented a major problem as a result of the drain upon civilian stocks to meet the requirements of the armed forces stationed on the Island. The quantity of foodstuffs that has been allocated for civilian consumption is considered to be adequate for the purpose but not large enough to permit of heavy drains to meet emergency demands of distressed seamen or of a large number of vessels outfitting at Newfoundland ports. It has also been found that the various military canteens are constantly drawing upon civilian supplies to supplement their regular rations or to fill the gaps in deliveries of their orders.

The Newfoundland authorities have recognized the seriousness of these drains upon the civilian stocks, and on August 5, 1943, an order was published under the Emergency Powers (Defence) Act, 1940, requiring any firm that wishes to transfer foodstuffs to any unit of His Majesty's forces, His Majesty's allies or co-belligerents, or to a ship of war or any canteen operated inside a barrack area, or to a canteen entitled to receive foodstuffs imported into Newfoundland free of customs duties, to apply to the Food Controller for a permit. These permits are not necessary where the food concerned is purchased under a Munitions and Supply contract or where the food is consigned directly to a unit of the armed forces. The purpose of the regulation is to enable the Food Controller to keep a record of these deliveries, so that they can be used as a basis for replacement claims on Canada and the United States. The regulations apply to all foodstuffs delivered to the armed forces, whether they have been imported or are of local production.

In order to effect control over the supply of foodstuffs as ships' stores for foreign-going vessels, regulations have been made under the Emergency Powers Act whereby ocean-going ships clearing from Newfoundland ports to any foreign ports, or for the high seas, can obtain provisions only under prescribed conditions.

The master of such a ship, or another authorized person, is required to submit an indent in duplicate to the Food Controller, on which will be shown, in addition to the quantities required, the amount of each kind of foodstuff already on board.

Where the indent is "allowed", one copy is stamped and returned to the master and is used by him to obtain release of the goods involved from the ship's supplier.

The amount of stores allowed will depend upon the size of the crew, the length of the voyage, and other factors. The regulation will not apply to small orders that are purchased from day to day solely for use or consumption by a ship's company while in port.

#### FOOD SUPPLIES FOR REMOTE AREAS

Store-keepers and retailers in Labrador and in those remote areas of Newfoundland that are isolated by weather conditions for some months in the winter have been asked in a Public Notice dated September, 1943, to indicate to their usual wholesalers or suppliers the minimum number of cases of milk and barrels of salted beef and salted pork necessary to meet the needs of their customers during the period from the close of navigation this fall until the reopening of navigation in the spring. Information concerning stocks on hand was also requested, so that the Food Controller may ensure that these remote areas receive their requirements and that deliveries are arranged for before the freeze-up.

#### EXTRA SUGAR RATION

During the month of October each ration-book holder was entitled to an additional sugar ration of three pounds for the purpose of preserving local berries and fruits ripening in that month.

#### TEA RATION REDUCED

When coupon rationing of tea and coffee was first introduced in Newfoundland, the ration was set at four ounces of tea or eight ounces of coffee per adult per fortnight. For children the ration was one ounce of tea per fortnight, with no coffee allowance.

When coupon rationing of tea and coffee was introduced in Newfoundland, the ration was set at four ounces of tea or eight ounces of coffee per adult. The ration would be reduced to two ounces of tea or eight ounces of coffee, the child's ration to remain unchanged. Since this measure came into force, the tea outlook has improved, and there is a possibility that when stocks have been built up to satisfactory levels a more generous ration can be permitted.

The British Ministry of Food has allotted to Newfoundland a quota of tea that is being packed in Canada on behalf of Newfoundland importers under the brand "Victory". It will be divided among retailers in proportion to the volumes of their sales in previous years. The sale of all other brands is prohibited until normal trade conditions return.

#### PRICE CONTROL MEASURES

Food (Current Prices) Order No. 29, 1943, establishes a price of 85 cents per pound for "Victory" tea when sold retail (whether for cash or on credit) at any place in Newfoundland except in Labrador. This order became effective on September 10, 1943.

Food (Current Prices) Orders Nos. 30 and 31 rescinded the previous orders setting a ceiling on the prices of potatoes and cabbages. These commodities are now not subject to price control.

Food (Current Prices) Order No. 32, 1943, replaces Order No. 25, which established a ceiling price of 19 cents a tin for evaporated milk when sold in 16-ounce tins and 18 cents each when sold in 14½-ounce tins. By Order No. 32 "Amboy" brand is exempted from this last provision, a price of 19 cents per tin being authorized when it is sold in 14½-ounce tins.

Food (Current Prices) Order No. 33, 1943, sets the retail price of raw wild hares and rabbits (other than Arctic hares), whether sold for cash or credit, at 60 cents per animal. It became effective October 19, 1943.



## CANTEENS IN AUSTRALIAN MUNITION FACTORIES

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, October 2, 1943.—The Commonwealth Government recently approved a joint recommendation of the Minister for Munitions and the Acting Minister for Labour that reasonable facilities for men and women to obtain meals at their places of work should be provided. These facilities, "food services", will be provided in all munition annexes built on land not owned by the Commonwealth, by means of a system of loans similar to that adopted by the Department of Munitions in the munitions development program. Where it is considered necessary to instal "food services", advances will be made to firms engaged on Commonwealth contracts. These advances will not exceed the equivalent of \$1,800,000.

The Commonwealth will, through a central purchasing organization, purchase all the plant, equipment and utensils required for the "food services". To meet special circumstances, plant may be loaned or rented to munition contractors. All "food services" and other amenities for which financial assistance is sought are subject to the approval of the Minister for Labour.

## MEAT SITUATION IN AUSTRALIA

K. F. NOBLE, ACTING TRADE COMMISSIONER

Sydney, October 1, 1943.—The meat supply position in Australia has been the occasion of increasing concern in recent months. The general opinion is that a substantial civilian shortage is inevitable, contributing factors to the scarcity including: increased consumption by Allied forces in the territory; increasing quantities of meat being diverted to canning and dehydration for shipment overseas; increased civilian consumption, due to higher purchasing power and the scarcity of alternative foodstuffs; a shortage of manpower for the industry, due to labour and military call-ups.

Total production in the year ending June 30, 1942, was 1,000,137 long tons as compared with 946,426 tons in the last pre-war year, or an increase of 5.6 per cent. Present indications are that in 1942-43, official figures for which are not yet available, there will be an even greater rate of increase. In expectation of a repetition of the 1941-42 increase, however, some 500,000 tons of meat of all types will be available to meet civil needs after service requirements and export commitments have been filled.

Civil consumption has been at the rate of about 650,000 tons per annum, and consequently a shortage of from 100,000 to 150,000 tons is forecast.

The only decline in production has been in beef, which in 1941-42 was 6 per cent lower than in 1938-39. As beef comprises 60 per cent of local production, the reported inroads into reserves of this type are considered to be more serious than in the case of mutton and pork, for which census figures show an increase for the period.

The number of Australian cattle in 1942 totalled 13,618,628 as compared with 13,911,659 in 1935. The decrease would have been greater if average annual slaughterings since the outbreak of war had not been 12 per cent below the pre-war level.

The position in regard to sheep has improved, with pasturings numbering 125,491,383 in 1941 as against 108,875,801 in 1935. Slaughterings since 1939 have been much higher than in the two immediate pre-war years, having averaged 20,939,417 or approximately 1,912,089 above the total for the last two pre-war years.

The swine population had continued to increase since the outbreak of war, and the average slaughterings for the years 1939-40, 1940-41 and 1941-42 were 2,301,110, or 23 per cent above the average for the two immediately preceding pre-war years. The Australian Government has made efforts to increase the pig population and to encourage the production of heavier animals, dressing over 100 pounds, which are allocated exclusively to the services. Recently the slaughter of underweight animals, for the civilian population, was discontinued by law, and pork products, other than sausages, are no longer available.

The British Ministry of Food has agreed to purchase 240,000 tons of meat annually from Australia and to endeavour to move any additional quantities that may be offered for export. Shipments of beef have declined, but those of tinned meats are increasing substantially, while the movement of dehydrated meats in ordinary storage is becoming important.

Although no official statement concerning meat rationing has yet been issued, it is apparent that some scheme must shortly be evolved for an equitable distribution of meats for civilians. Purchases for service requirements have priority at meat auctions, causing shortages that are passed on to the wholesalers pro rata. To date the supply for the civilian population has been left to the discretion of the retail stores.

Estimates of the extent of curtailment are uncertain, but since Australians are among the heaviest consumers of meat in the world, estimated for normal times at 212 pounds per head annually, or approximately 4 pounds per head weekly, the cut will be more noticeable. At present weekly individual consumption has increased to 5 pounds, principally due to increased spending power and shortage of substitute foods, but, should the estimated shortage of 100,000 to 150,000 tons of meat prove correct, civilian consumption will of necessity be considerably reduced.

The approaching lamb season may relieve part of the existing demand for meat supplies, as well as the summer decline in consumption. Even so, the civilian meat position is expected to deteriorate.

### CHILEAN FINANCIAL CONDITIONS

M. J. VECHSLER, CANADIAN COMMERCIAL ATTACHÉ

(One Chilean peso equals \$0.037 Canadian)

Santiago, November 11, 1943.—The Chilean Minister of Finance, in presenting the proposed budget for 1944, indicated an anticipated income of 3,469,609,000 pesos and a proposed expenditure of 3,707,198,048 pesos, with a resulting deficit of 237,589,048 pesos. He stated that the foregoing estimates were considered by him to be optimistic so far as income was concerned and below requirements for expenditures.

During the past three years there has been a deficit at the end of each year, the accumulated total on December 31, 1942, amounting to 483,502,671.81 pesos. The Minister of Finance estimated that unless effective measures were adopted, a deficit of 952,000,000 pesos would have to be added to the above-mentioned accumulation on December 31, 1944, and that the total deficit would amount to 920,000,000 pesos at the end of the present calendar year.

In reviewing the financial condition of the country, he pointed out that he did not think that Chile could continue with permanent deficits of this size, which were proving serious to the Fiscal Bank and producing grave disturbances in the general economy. Both permanent and transitory factors produced the situation. In some cases variable expense items did not fill the needs, sometimes insufficient estimates were made, or greater expenditures were required through depreciation of the currency or other causes which increased expenditures beyond those anticipated. Further, it was pointed out, that at times laws



were passed, following the approval of the budget, which required expenditures for which provision was not made, and the hope was voiced that the constitutional reform restricting parliamentary initiative in the matter of public expenditures would be ratified at an early date in plenary congress.

## CHILEAN BEAN PRODUCTION, EXPORTS AND PRICES

M. J. VECHSLER, CANADIAN COMMERCIAL ATTACHÉ

(One peso equals \$0·037 Canadian; one hectare equals 2·47 acres; one metric quintal equals 220 pounds; one kilo equals 2·2 pounds)

Santiago, October 22, 1943.—Information recently made available indicates a steady decline since 1939 in the acreage devoted to bean production in Chile. The area sown in 1942 was 84,937 hectares as compared with 86,241 hectares in 1941, 91,656 hectares in 1940, and 96,088 hectares in 1939.

### PRODUCTION AND EXPORTS

The following table shows bean production and exports for the years 1939 to 1942:—

#### *Chilean Production and Exports of Beans*

	Production Figures in Metric Quintals	Exports
1939 .....	713,406	229,778
1940 .....	917,962	346,226
1941 .....	795,512	314,570
1942 .....	693,370	353,290

Beans have been an important Chilean export item over many years, the three types best known abroad being Arroz, Red Kidney and Cristales. There has been an appreciable increase in exports of the Arroz type since 1933, whereas shipments of Red Kidney beans have varied considerably, 1941 exports being approximately the same as those in 1933, although in certain years, when good harvests were obtained, there were substantially increased exports. Shipments of the Cristales type have also increased considerably, while those of Red Mexican beans have declined sharply during the past three years.

According to official figures, 353,290 metric quintals of Chilean beans valued at 11,046,000 pesos (of 6d. gold) were exported in 1942, distributed as follows: Argentina, 175,706 quintals; Cuba, 69,346; United States, 31,765; Sweden, 22,216; Switzerland, 21,827; other countries, 32,430 quintals.

### WHOLESALE PRICES

Average annual wholesale prices in recent years, basis f.o.b. port of San Antonio, for seven classes of beans are shown in the following table:—

#### *Chilean Wholesale Prices of Beans*

	Burritos	Cos- corrones	Caballeros	Red Kidney Pesos per 100	Bayos Regulares Kilos	Pallares	Frutillas
1939 .....	140.49	174.36	182.61	172.96	124.69	219.25	118.46
1940 .....	154.74	173.41	181.77	180.83	129.95	226.78	128.19
1941 .....	263.48	261.25	232.48	341.39	212.24	227.44	213.90
1942 .....	309.10	308.33	208.77	293.69	250.29	293.50	253.52

The price of Burritos was high in 1941 and 1942, whereas there was a substantial increase in the price of Red Kidney beans in 1941 and a reduction in the following year. Corresponding retail prices per kilo for the Burritos type sold in Santiago were as follows: 1942, 3·90 pesos; 1941, 3·04 pesos; 1940, 1·79 peso; 1939, 1·74 peso.

## AGRICULTURAL NOTES FROM ARGENTINA

W. B. McCULLOUGH, ASSISTANT COMMERCIAL ATTACHÉ

### Wheat for Fuel

Buenos Aires, October 18, 1943.—By an executive decree issued on July 22, the Argentine Grain Regulating Board is authorized to sell up to December 31, a total of 73.6 million bushels of wheat for fuel. The sale and distribution will be handled by the National Petroleum Board. The price is fixed at 45 pesos per metric ton. The Grain Regulating Board is further authorized to sell 18.3 million bushels of wheat for fodder. The price of wheat for this purpose is fixed at 45 pesos per metric ton, basis cars, Buenos Aires.

The guaranteed minimum prices for wheat and flaxseed were cancelled as from August 15.

### Maximum Potato Prices

A decree issued on August 15 established maximum prices for table and seed potatoes according to production zones. Wholesale prices per 60-kilo sack are as follows: Mendoza, San Juan, and Rio Negro (irrigated) zones, 9 pesos; Balcarce zone, 7.50 pesos; Rosario zone, 6 pesos. Corresponding retail prices are: 0.35 peso per 2 kilos; 0.13 peso per kilo; and 0.25 peso per 2 kilos.

In the maximum prices the following commissions are allowed for each sack of 60 kilos: dealer's commission to retailer, 0.50 peso; retailer's commission from dealer, 1 peso; retailer's commission direct from dealer at National Potato Market, 1.50 peso.

The following f.o.b. prices for White Tag and Red Tag respectively per 60-kilo sack are established for certified seed potatoes from the Balcarce zone: Katahdin, 8 pesos and 7 pesos for second generation, and 6.50 pesos and 6 pesos for third generation; White Rose, 9 pesos and 8 pesos for second generation, and 7.50 pesos and 7 pesos for third generation; selected seed (not certified), 6 pesos.

### Export of Corn and Corn Oil Prohibited

An Argentine decree issued on August 6 prohibits the export of corn (in grain or ground) and corn oil. The country's commercial stocks of corn are very small and are required for home consumption. It is stated in the preamble to the decree that certain exceptions may be made in special cases such as contracts outstanding between the Grain Board and official bodies in foreign countries.

### Minimum Price for Sunflower Seed

On August 21 the Minister of Agriculture stated that the guaranteed minimum price for sunflower seed from the next crop (1944) would not be below 12 pesos per 100 kilos. This announcement is in line with the Government's grain policy to include guaranteed minimum prices. The basic guaranteed price to the producer for the 1941-42 crop was 8 pesos per 100 kilos, basis rail car, Buenos Aires. This temporary price was established by decree on March 26, 1942. The Grain Regulating Board resold to the local consumers at 12 pesos per 100 kilos and, when the price was announced, it was stated that any profits resulting after the crop was disposed of would be returned to the producers. Certain buyers were authorized to purchase from the producer at 8 pesos but were required to deposit the 4 pesos difference to the account of the Grain Board.



A decree issued on February 18, 1943, provided for a further advance of 2 pesos per 100 kilos to be paid to the producer in accordance with the decree of March 26, 1942.

The minimum price of sunflower seed was cancelled as of January 31. The current market prices are from 16 to 18.30 pesos per 100 kilos.

## CANADA'S EXTERNAL TRADE

*Dominion Bureau of Statistics Bulletin*

### Trade in October

Canada's external trade in October, excluding gold, was valued at \$425,795,307 as compared with \$384,639,552 in the previous month and \$353,-160,229 in October last year. Domestic exports totalled \$259,808,158 as compared with \$244,914,478 in September and \$211,895,406 in October, 1942. Imports amounted to \$162,920,856 as compared with \$137,271,083 in the previous month and \$140,192,890 a year ago.

The October balance of trade was in Canada's favour to the extent of \$99,953,595 as compared with \$110,097,386 in September and \$72,774,449 last year. Net exports of non-monetary gold, additional to the balance of trade, amounted to \$11,300,000 in October as compared with \$11,800,000 in September and \$19,300,000 in October, 1942. The amount of duty collected during the month was \$18,176,681 as compared with \$14,587,428 in September and \$12,778,809 a year ago.

Domestic exports to the United Kingdom in October amounted to \$73,400,000 as compared with \$55,300,000 in October last year, while imports totalled \$13,300,000 as compared with \$12,500,000. Domestic exports to the United States totalled \$112,800,000 as compared with \$79,200,000 in October, 1942, with imports amounting to \$134,500,000 as compared with \$110,300,000.

### Ten Months' Trade

Canada's external trade in the first ten months of 1943 totalled \$3,839,870,323 as compared with \$3,285,732,633 in the same period of 1942 and \$1,853,467,337 in the similar period of 1940. In these three years Canada's external trade has increased by approximately two billion dollars. This is exclusive of gold.

The exports of Canadian products in the ten months of this year amounted to \$2,378,991,791 and imports to \$1,439,893,992. Exports in the similar period of last year totalled \$1,889,801,990 and imports \$1,380,468,301. Exports of foreign produce in the ten-month period totalled \$20,984,540 as compared with \$15,462,342 a year ago.

Imports from the British Commonwealth and Empire during the ten months ended October totalled \$198,000,000 as compared with \$241,000,000 a year ago. Imports from the United Kingdom totalled \$113,700,000 as compared with \$144,200,000 a year ago; from the United States, \$1,181,200,000 as compared with \$1,084,500,000; and from other foreign countries, \$60,700,000 as compared with \$54,900,000.

Domestic exports to the British Commonwealth and Empire during the ten months ended October amounted to \$1,130,700,000 as compared with \$964,300,000 in the like period of 1942, of which the United Kingdom accounted for \$837,-200,000 as compared with \$625,800,000 a year ago. Exports to the United States amounted to \$910,700,000 as compared with \$659,200,000, and to other foreign countries to \$337,600,000 as compared with \$266,300,000.

The ten months' balance of trade was in Canada's favour to the extent of \$960,082,339 as compared with \$741,224,113 in the same period of 1942, and was approximately nine times greater than in the similar period of 1940. Net exports of non-monetary gold aggregated \$121,000,000 as compared with \$184,400,000 in the ten months of 1942.

## SOUTH AFRICAN INDUSTRY AFTER THE WAR

*From The Times Trade and Engineering Supplement*

The extent of the improvement in the shipping situation is limited by the increasing demand for space for war purposes. Meanwhile the vital needs of the nation are being estimated. The quantities of household requisites held by merchants and dealers for sale to the public are being ascertained and means are being adopted to produce here, or to obtain from other countries, sufficient utensils to meet necessities. A commission of inquiry into the system and cost of distribution of such goods will consider whether more efficient and more economical methods are practicable, whether distribution of essential commodities, including delivery services, should be rationalized, and whether the existing system of control of private enterprise should be maintained or extended, with special reference to prices and the maintenance of reasonable standards of services to the community, particularly after the war.

General Smuts has assured organized commerce that the basic policy of the Government is the maintenance of individuality and initiative, and that it is opposed to interference with private enterprise. However, it is believed that some sort of control and regulation of business activities will continue to be needed, just as a great many economic controls are necessary for the conduct of the war. The Cabinet Committee on Reconstruction consists of the Prime Minister as chairman, the Minister of Economic Development as deputy-chairman, and the Minister of Finance. Secretaries of Departments, with the deputy-chairman of the Cabinet Committee presiding, are collectively responsible for administering the machinery set up to deal with such questions as the disposal of war supplies and the restoration of a peace-time economy.

## FUTURE POLICY FOR FACTORIES

Mr. S. F. Waterson, Minister of Economic Development, has spoken on the subject of future policy in relation to secondary industries.

"Everything points," he states, "to the establishment in the post-war period of international organizations and codes to which of necessity we will have to adhere, and it can be taken for granted that when it comes down to such questions as the protection of industries, we in this country will be permitted to retain our existing industries and establish new ones so long as the international organizations concerned are satisfied that these industries are being conducted on sound, efficient, and scientific lines."

In a warning against the mistakes of many European countries, where industrialization has been accompanied by neglect of agriculture, Dr. P. R. Viljoen, Secretary for Agriculture and Forestry, reiterates his opinion that the Union must remain a pre-eminently agricultural land, in spite of the large-scale industrial expansion going on to-day. He fears that development in which agriculture has not its rightful place will disturb the whole balance of the economic and social life of the country and react to the great disadvantage of large numbers of the rural population. He recalled that for years before the war the disparity between agricultural and industrial prices had resulted in a



relatively small net return to the farmer for many of his products. Legislation, however, has done much to secure a reasonable profit for him by placing marketing on a sound footing.

#### TARIFF PROTECTION FOR EFFICIENCY

The Director of Supplies believes that the Industrial Development Corporation will be of considerable help to the Government in rationalizing industry. Industrialists are being told that whatever protection may come will be based on the highest degree of efficiency and that those who do not reach the required standard will have to try something else.

Forced into a difficult position because of the reservation of materials for defence priorities, the building industry has applied for an increase in the quota of timber and structural steel allocated to private work. Local authorities are responding to the Prime Minister's appeal to prepare programs of public works in order to provide employment for the demobilized; and Capetown, Johannesburg, and Durban have undertaken large schemes of development. The ban on imports from Argentina will result in a shortage of textiles, but stocks are expected from Great Britain.

Further economies are being enforced in order to avoid a breakdown in South African transport, and new limits may be imposed on passenger travel on the railways, which has been increasing owing to restrictions on motor transport. The figures for goods and coal also are advancing. A thousand wagons on order from Canada are being delivered, and it is hoped to get a further 1,000 from the same source, but until they are received and more engines arrive, the railway administration will not be able to meet fully all demands for rolling stock. No speedy relief may be expected from motor transport, as supplementary issues of petrol are being curtailed and tire-makers are short of materials.

Certificates have been unobtainable recently for British bicycles and for spare and component parts which cannot be made in this country. As British bicycles are particularly suitable for rough roads and essential not only to Europeans but to thousands of natives employed in urban areas, representations have been made for a higher priority rating and for an increase in the Union's quota from the United Kingdom.

#### NEW IMPORT REGULATIONS

There are new regulations governing the validity of import permits and certificates of essentiality granted after September 1. Permits and certificates will not be issued unless the applicant was a regular importer of similar goods between September 15, 1941, and January 31, 1943, or has since acquired the business interests of another importer. Where a permit to import goods is required, it must be obtained before the goods are ordered, or sent from the exporting country. Import permits will be withheld if the goods have already been dispatched from the country of export.

A permit or certificate must bear an indication of the quarter of the year during which shipment of the specified goods is desired. Permits and certificates will be valid for a definite period of six calendar months calculated from the end of the quarter indicated. They may be revoked by the issuing officer at any time, but he may extend the currency of the permit or certificate on application. A permit issued during November for the first quarter of next year will be valid until September 30, 1944.

High import ratings have been granted for photographic films and paper from the United Kingdom and the United States of America. Given the quantity

of film now on order, the Union will have sufficient to supply part of the needs of professional photographers. To achieve equitable distribution incoming stocks of all photographic materials must be declared to the Controller on their arrival.

Prospects for the export of citrus are even less favourable than they were a year ago. To absorb the surplus crop, marmalade and juices are being manufactured on a large scale, mostly for shipment to the British Isles instead of fresh oranges. Samples of dehydrated oranges have been sent to England to be tested. Meanwhile, the local market is being continuously developed. About one-third of the surplus of citrus consists of grapefruit, for which there is little demand among Europeans or natives, though it is a popular item on the breakfast menu on the railways. Transvaal grapefruit has been going to waste for lack of transport and demand. The surplus was estimated at 2,000,000 boxes of oranges and 1,000,000 boxes of grapefruit.

A new law requires that all edible fish caught must be landed. The estimated area of the Union's fishing grounds considered suitable for exploitation exceeds 150,000 square miles, but the canning of cray-fish is the only developed fishing industry. Stock-fish trawling has been successful. Heavy rain that flooded boreholes has adversely affected the output of salt, of which mines and factories are large users. Pumping machinery is being installed to meet the increased demand for war and industrial purposes. It is expected that with favourable weather the 120,000 tons needed in the Union will be obtained.

Under the new sugar agreement (which does not affect prices), non-European growers received concessions and the industry undertakes to provide, if called upon by the Government, the equivalent of 400,000 tons of cane out of the present quota, which will be allocated to ex-servicemen to be settled on the land after the war.

## CONTROL OF EXPORTS FROM CANADA

### REGULATIONS AMENDED

By Export Permit Branch Order No. 82, effective January 1, 1944, Export Permit Regulation 34 is amended to read as follows:—

34. (a) Export permits are not required for any article or material, with the exception of shipments out of United States ports to the blockade countries listed in Regulations 41,

(1) When consigned to Canadian Legations, the offices of Canadian High Commissioners, Canadian Consular offices, the offices of Canadian Government Trade Commissioners, or to official representatives of the Government of the United Kingdom or their order, or

(2) When ordered, diverted or exported by the Department of Munitions and Supply, the Department of National Defence, the Department of National Defence Air Services, the Department of National Defence Naval Services, or their respective Forwarding Officer, Ordnance Transit Officer or Air Embarkation Staff Officer, the Transport Controller of the Department of Transport, the Ministry of Supply for the United Kingdom, the United Kingdom Ministry of Food, the Inspection Board of the United Kingdom in Canada, or the British Ministry of War Transport.

(b) Export permits are not required for shipment of any article or material ordered, diverted or exported by the Canadian Mutual Aid Board when shipped out of Canadian ports.



## TARIFF CHANGES AND TRADE REGULATIONS

### Trinidad

#### IMPORT LICENCES FOR WATCHES

The Trinidad Control Board announced on November 11, that licences for the importation of watches from all sources will be restricted to those costing not more than £3 f.o.b.

#### LICENCES FOR IMPORTATION OF RUBBER GOODS

A notice of November 16, issued by the Trinidad Control Board, states that licences will now be granted for the importation through usual commercial channels of all rubber goods except tires and tubes and certain rubber medical supplies, which will continue to be obtained by means of bulk purchase.

### Brazil

#### REQUIREMENT OF PERFORATION OF WOOD-PULP WAIVED

Mr. L. S. Glass, Canadian Commercial Attaché at Rio de Janeiro, writes that, by a Brazilian Decree-Law published on October 23, 1943, certain requirements as regards the import of cellulose or wood-pulp for the manufacture of paper have been waived for the duration of the war by the suspension during that period of the application of Note No. 231 of the Customs Tariff. The Brazilian tariff provides for the entry of cellulose or wood-pulp in sheets or boards at a rate of 85.50 cruzeiros per metric ton, or about \$4.85 per 2,204 pounds, but Note No. 231 provides that, in order to enjoy this rate, it must be perforated in circles, rectangles or triangles of a minimum diameter or base of 15 millimetres throughout the length and breadth of the sheet or board and spaced every 12 centimetres or less from each other. Wood-pulp not perforated in this manner was dutiable as plain cardboard in sheets at 1.60 cruzeiros per kilogram, or about \$90 per 2,204 pounds. The temporary suspension of Note No. 231 means that wood-pulp for the manufacture of paper may be imported at the lower rate without being perforated in the manner indicated. In order to prevent unauthorized imports of wood-pulp at the lower rate for other purposes, importers in Brazil are required to register with the Customs and to maintain a record of imports and sales, which must be presented before importation to prove the legitimacy of use and that the importer is entitled to import at the lower rate.

### Ecuador

#### EXPORT RESTRICTIONS ON HIDES AND SKINS

Mr. W. G. Stark, Acting Trade Commissioner at Lima, writes under date October 29, 1943, that, by a decree of March 24, 1943, which was amended on July 21, the exportation from Ecuador of cattle hides, kid hides, sole leather, and tanned leather has been restricted, and the export duties thereon have been increased by 100 per cent. The object of this measure is to ensure that sufficient supplies are available to meet the normal needs of the shoe factories and shoemakers within the country.

The Directorates of Customs and Exports Control will only permit a maximum exportation during each quarter of the year as follows: cattle hides, raw

salted or dried, 50,000 kilos (111,000 lbs.); kid hides, raw salted or dried, 5,000 kilos (11,000 lbs.); sole leather, tanned skins or leathers, and scraped skins, 8,250 kilos (18,150 lbs.).

The quota for each leather exporter will be allotted in proportion to his exports during the previous year. Provision is made for the allocation of a quota to an exporter who has not previously shipped abroad, and also for the reallocation of quotas assigned to but not used by an exporter.

The export duties, including the increases, on hides and skins are as follows per gross kilogram: dried cattle and horse hides, 1 sucre (approximately 8 cents Canadian per 2.2 lbs. gross); salted cattle and horse hides, 0.50 sucre (4 cents per 2.2 lbs.); sheepskins, free; other types of hides, 0.20 sucre (nearly 2 cents per 2.2 lbs.).

## Peru

### DUTY ON WATER PAINTS IN POWDER

Mr. W. G. Stark, Acting Trade Commissioner at Lima, writes that a resolution published in the July issue of the Peruvian Customs Bulletin creates a new tariff item for "paints, common, ordinary, in powder, for preparation with water, in any type of packing". The rate of duty is 0.10 sol per kilogram (1.7 cent Canadian per 2.2 pounds) gross weight.

### BLOOD PLASMA DUTY FREE

Mr. W. G. Stark, Acting Trade Commissioner at Lima, advises under date August 11 that, by a Peruvian customs ruling, normal human blood plasma may be imported into Peru free of duty under Item 1870 of the tariff. This item covers serums and vaccines, which are also free of duty.

### LEGISLATION AFFECTING PHARMACEUTICALS

Mr. W. G. Stark, Acting Trade Commissioner at Lima, writes under date November 12, 1943, that according to a Decree dated August 27, 1943, and a ministerial resolution of November 9, 1943, foreign pharmaceutical specialties which have been registered for more than five years in Peru must be re-registered by the local representatives or importers. This applies to products imported in a prepared form, those packed in Peru, and also those manufactured under licence in Peru. The final date for re-registry has been set at February 27, 1944, and full details of the required procedure may be obtained on application to the Department of Trade and Commerce, Ottawa.

### EXPORT OF EDIBLE OILS PROHIBITED

Mr. W. G. Stark, Acting Trade Commissioner at Lima, writes that a Peruvian decree of July 8, 1943, prohibits the exportation of edible oils from Peru, in order that there will be sufficient supplies for domestic consumption. The Government reserves the right to purchase oil from the factories and to control production. The total Peruvian production of crude cotton-seed oil in the 1943-4 season is to be distributed as follows: 60 per cent for the manufacture of lard; 15 per cent for the manufacture of refined oil; 10 per cent for the manufacture of deodorized oil; 5 per cent for the manufacture of "winterized" oil; 10 per cent for the manufacture of soap. This last percentage will be apportioned to the soap-producing factories in accordance with their requirements, independently of the dregs and other residues from the elaboration of oil.



## Belgian Congo

### IMPORT DOCUMENT REQUIREMENTS

Mr. H. L. Brown, Canadian Trade Commissioner at Johannesburg, advises under date October 8 that a notice was published in the *Belgian Congo Government Gazette* of August 25, asking that all correspondence, letters or cablegrams, invoices and documents relating to shipments to the Belgian Congo should show clearly the number of the import licence covering the goods concerned, in order to avoid delays occasioned by censorship and involved in administration routine.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING NOV. 29, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, November 29, 1943, and for the week ending Monday, November 22, 1943, with the official rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Nov. 22	Nominal Quotations in Montreal Week ending Nov. 29	Official Bank Rate
Great Britain. . . . . Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. . . . . Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico . . . . . Peso	.4985	.2284	.2284	4
Jamaica . . . . . Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. . . . . Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2782	.2782	—
Brazil. . . . . Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana . . . . . Dollar	1.0138	.9313	.9313	—
Chile . . . . . Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. . . . . Peso	.9733	.6358	.6358	4
Venezuela . . . . . Bolivar	.1930	.3330	.3330	—
Uruguay. . . . . Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5883	.5883	—
South Africa. . . . . Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India . . . . . Rupee	.3650	.3359	.3359	3
Australia . . . . . Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. . . . . Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

## CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

### GENERAL

**Annual Report of the Department of Trade and Commerce.**—A summary of the activities of each of its Branches, including the Commercial Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

**Annual Report of the Board of Grain Commissioners.**—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

**Annual Report of Electricity and Gas Inspection Services.**—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

**Annual Report of Dominion Grain Research Laboratory.**—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

**List of Grain Elevators.**—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

### PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

**Commercial Intelligence Journal.**—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

### PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics:—

#### Census of Canada.

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

Canada, 1943. (Price 25 cents.)

Canada Year Book. (Price \$1.50.)

Trade (Internal), prices, cost of living, etc. (Price \$1 per annum.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

News Bulletin, Daily (Price \$1.50 per annum). Weekly (Price \$1.00 per annum.)



# COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

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J. A. STRONG, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

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**CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.**

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**



# Commercial Intelligence Journal

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## SEAWEED GUMS IN THE UNITED STATES

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

New York, November 26, 1943.—The following information on seaweed gums is based on a paper recently prepared by Victor B. Scheffer, Associate Technologist, Division of Fishing Industries, United States Department of the Interior, and is presented in the interest of Canadian producers of Irish moss. Reports on the market for this product in the Eastern United States were published in *Commercial Intelligence Journal* No. 2010 (August 8, 1942) and No. 2023 (November 7, 1942).

### SEAWEED INDUSTRIES

Colloidal substances, such as gums, mucilages, gels, geloses or agars, with a total value of about \$3,000,000 are extracted annually in the United States from seaweeds or marine algae. In addition, imports of such gums up to the outbreak of war amounted to more than \$1,000,000.

The seaweed industries of North America are geographically restricted by the natural distribution of certain species of algae. The areas at present being exploited are the New England coast and Southern California. The Mexican coast adjacent to California and the Maritime Provinces of Canada are also proven sources of commercial seaweeds. With the increased interest in domestic production, it is probable that by the end of the war species of seaweeds hitherto unworked will become of commercial importance.

### SEAWEED GUMS

The seaweed gums most frequently referred to are algin, agar, and carrageenin. There is, however, considerable confusion in the terminology, and the trade names of certain gums are commonly applied in a semi-genetic sense.

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## ALGIN

Certain species of kelp are the source of algin. On the Atlantic coast the kelp is harvested with a grapple hauled at a depth of 12 to 15 feet from a power boat, and to a lesser extent by hand dragging or sickling from a dory. The season extends from June to December. On the Pacific coast the kelp is mowed by giant harvesters cutting 3 to 4 feet below the surface and carrying as much as 300 tons in a single load. Harvesting is carried out in calm weather throughout the year. By selective cutting of the beds a sustained yield is assured.

When the fresh kelp is cooked with soda ash, the alginic acid of the living cell is released as soluble sodium alginate. This is filtered from the cellulose residue and returned to an insoluble state by precipitation with acid or alcohol. The behaviour of algin under the influence of various metallic and organic ions is complicated, but generally speaking its commercial value is based on its capacity to form either a viscous solution or a tough, insoluble curd. The alkali metal alginates are soluble; the heavy metal alginates are insoluble.

The outstanding use of algin is reported to be as a stabilizer in the manufacture of ice cream, about  $2\frac{1}{2}$  pounds of algin being required to stabilize 300 gallons. This same gum also serves as a creaming agent in the treatment of latex, in finishing leather, waterproofing concrete, fireproofing wood and camouflage materials, treating boiler water, for can-sealing compounds and water-base paints, and in the manufacture of dental impression materials.

Figures of the current rate of production of algin are not available for publication. In 1941, however, about \$1,500,000 worth of alginates were produced. These were in the form of alginate compounds selling as low as five cents a pound, in alginate pastes for water purification selling at about seven cents a pound, and as pure algin selling at \$1 per pound. The present market value of algin is from \$1 to \$1.25 per pound in barrel lots.

## AGAR

The agar of commerce is a mixture of the extractives of several seaweeds, and its chemical structure may vary with the source of the raw material. Up to the outbreak of war, almost the entire supply of agar (92 per cent in 1941) was produced in the Orient. Sources are now being developed in California and Mexico.

The agar weed has been gathered regularly on the American coast since 1919, and perhaps earlier, by Japanese and Americans engaged primarily in diving for abalones. Much of it was shipped to Japan for processing. Lesser amounts of weed have been taken in shallow water with long-handled rakes. The diver works in a complete suit, crawling over the rocks on his knees and pulling the weed off by hand. Under good working conditions a man can harvest 1,000 wet pounds a day. Little or no weed is gathered during the winter season of rough weather, from about November to March. The weed is dried in the sun, baled and delivered to the factory at a cost of \$300 to \$400 a ton. A crude gel is extracted by a simple process of boiling and filtering. The water and impurities are then removed by freezing.

Shortly after the outbreak of war with Japan, the United States War Production Board issued an order restricting the further use of agar to the preparation of bacteriological media. At that time only 18 per cent of the agar used in the United States went into media, 82 per cent being utilized in the manufacture of dental impression materials, laxatives, emulsifiers, and confections, for meat packing and other purposes. Manufacturers of these products have turned to substitutes for agar or have dropped out of business along with others whose activities have been similarly affected by the war.



It was recently reported in the press that a substitute for Japanese agar had been developed at the University of Wisconsin by using a seaweed obtained on the New England Coast. This material is probably akin to Irish moss.

In 1941 the domestic production of agar was 36,000 pounds valued at \$2.50 a pound, or a total of \$90,000. The price of Kobe No. 1 agar has risen sharply from a low of 46 cents in 1933 to \$3.50 a pound in 1943.

#### CARRAGEENIN

The name carrageenin is considered best to describe the extractive of carrageen or Irish moss (*Chondrus crispus*). The seaweed source of this gum grows in the cooler waters along the North Atlantic coast and appears to be abundant on the rocky shores of Massachusetts and Maine and the Maritime Provinces of Canada.

It grows at moderate depths and is harvested from dories with lead-weighted rakes from 15 to 20 feet long. The season extends from about March 1 to October 1. A man can rake about 400 pounds of wet moss a day, worth about two cents a pound on the dock.

For a century Irish moss has been offered for sale on American markets in dried form, either whole or powdered, raw or bleached. In response to wartime demand, however, a number of firms are now selling the purified extractive, which is here referred to as "carrageenin". Information is not available as to the commercial methods used in extracting carrageenin, but it may be prepared in the laboratory by boiling the seaweed in fresh water for three to five hours, filtering off the residue and drying the extractive on a water bath. Although its chemical nature has not been thoroughly explored, carrageenin is said to differ entirely from agar in the ease with which it is extracted by the use of cold water. Irish moss is seriously damaged if it is exposed to rain while drying on the beach.

Mr. Scheffer reports that carrageenin is used as an agent in the suspension of cocoa particles in chocolate milk, as a clarifying agent for beverages, and as a suspending agent in a wide variety of foods, drugs, cosmetics, and industrial liquids. These uses are more fully described in the report entitled "Market for Irish Moss in the United States", which was published in *Commercial Intelligence Journal* No. 2023 (November 7, 1942).

While it is estimated that Irish moss valued at over \$100,000 was produced in 1941, figures are not available as to the value of the carrageenin extracted therefrom. The present market value of this product in barrel lots is about \$1.65 per pound. It should be noted that this refers to the extracted gelose and not to the Irish moss in any form.

#### RELATED SEAWEED INDUSTRIES

In addition to gums, several other products are obtained from seaweeds on a commercial basis. Dried kelps are widely sold as a diet supplement for humans and live stock, chiefly on account of their inorganic salts. Dulse is sold in New England as a relish. Dried eel-grass is the basis of a building material of high insulating qualities.

The author of the article which is the basis of this report adds that a number of organizations, mostly universities but including also federal, state and private agencies, are at present engaged in research concerning seaweed gums. He suggests that, in view of the increasing demand for these products, further studies be undertaken to include a survey of the distribution of the marine algae, their properties, improved methods of extraction, and new applications for their use in the food, drug and technical industries.

## POST-WAR DEVELOPMENT OF MELBOURNE PORT FACILITIES

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, October 7, 1943.—The Melbourne Harbour Trust Commissioners, who direct the operations of the port facilities there, recently completed their inquiry into the requirements of the port and have drawn up plans for development in the post-war period at an estimated expenditure of \$14,400,000.

The Commissioners report that the proposed developments would provide opportunities for the rehabilitation of workers, since many trades would be involved. Men from the navy would find employment on the dredges, hoppers and tugs as seamen and engineers. There would be work for men from all arms of the Services as concrete workers, bridge builders, joiners, wharf carpenters, plumbers, painters, road and railway builders, riggers, truck drivers, steel workers, electricians and in many other occupations.

In formulating plans for the post-war development of the port, the Commissioners have based their recommendations on experiences during the war period and also on the anticipated trend of post-war trade and its influence on the post-war designs of ships. They are of the opinion that there will be some loss of passenger and mail traffic, and a considerable reduction in high-grade package trade owing to the development of air transport. They consider, however, that such losses would be fractional as compared with the heavy volumes of cargo that could not economically be handled by air routes. They report further that, while there would be fewer of the larger luxury types of passenger liners in the post-war period, there would be a great increase in the numbers of fast type cargo vessel. Furthermore, as the Commissioners envisage ships carrying greater individual cargoes to individual ports, their post-war plans will include provisions to cover all these changing aspects.

Plans had been prepared to widen and deepen many of the principal approach channels. As the Melbourne Harbour Trust already owns the most powerful dredges in the Commonwealth, its large fleet will be fully engaged on the post-war development, enabling the port to keep ahead of any possible future demands.

Particular attention is to be given the handling of passenger traffic, with better equipment for gangways. The road requirements of vehicles, both passenger and transport, have been studied. Commodious accommodation with respect to cafes, restaurants and conveniences, both for passengers and visitors to the docks, is contemplated.

As practically all the coal for Melbourne is imported by sea from New South Wales, the Commissioners plan to add two more berths to the equipment for the mechanical handling of this commodity. All sea-borne coal would then be discharged by mechanical means and carried by conveyer belts to storage areas remote from the docks. This would release three-quarters of a mile of wharves, now used exclusively to handle coal by ships gear, for general and other special cargoes.

With respect to the heavy steel cargoes that come to the port of Melbourne to meet demands in connection with the development of the city and the growing secondary industries, future plans require that such steel cargoes will be mechanically discharged by electric travelling luffing wharf cranes and handled through a modern steel transit shed in which overhead cranes, with underslung jibs, would facilitate economic and expeditious delivery. It is planned to increase the efficiency with which cargoes are handled by concreting all wharf and shed working surfaces. The Commissioners are preparing to present plans to the State Government for the provision of a large dry dock.

A copy of the Commissioners' report is available for inspection by interested Canadian firms on application to the Department of Trade and Commerce, Ottawa (quote file No. 34223).



## NEW ZEALAND MAN-POWER SCHEMES

C. B. BIRKETT, ACTING TRADE COMMISSIONER

Auckland, October 28, 1943.—The man-power authorities have evolved two schemes for the employment of additional labour on the land.

According to a recent statement of the Director of Man-power, single men and married men without children, between the ages of 18 and 40, and married men with children, between the ages of 18 and 30, who are graded 1 and 2 medically will be liable for one month's territorial training within the next six months.

The plans provide for many exemptions from this training in order that there may be the least possible interference in industry. The exemptions cover such persons as coal miners, saw-mill workers, railway operators, medical practitioners, dentists, etc., and every employer will have the right of appeal through the Armed Forces Appeal Boards.

The training will take place under army organization during the summer months, and the Government is relying on the territorials to assist greatly in harvesting the crops; in fact the Director of Man-power stated that the harvesting of the crops is more important than army training. According to the latest information, the men will receive regular army rates of pay.

### HOLIDAY WORK FOR STUDENTS AND CHILDREN

Plans have been announced by the Government for the employment on the land of university students and senior school pupils, as well as certain classes of children, during the summer holidays. The school holidays usually begin with the first week of December and end the first week in February. University holidays are from late in November to March 1. It is possible that all holidays may be extended.

It is reported that the need for labour on the land this year will be greater than last year, owing to the pressing demands for food for the forces in the Pacific, as well as from Britain. Payment to students of 18 years of age and over will be at the regular award rates, and every effort will be made to allocate jobs on the most suitable basis.

Male university students will be required in freezing works and dairy factories, and female students will be needed in considerable numbers for canning factories and vegetable-growing schemes. When these are fully staffed, the remaining students are to be directed to other seasonal work according to priority.

Boys and girls are to be employed principally in market gardens and on fruit farms. They will not be employed away from their homes except under fully approved conditions, and only those over 18 will be placed under direction. The minimum age for boys is 15 and for girls 16, but some exceptions may be made.

Although employment of school-children is entirely on a voluntary basis, they will be paid. Piece-work will be encouraged, but other payment will be on an hourly basis. Boys and girls under 16 will receive 1s. an hour, girls of 16 and under 18 1s. 3d., and boys between 16 and 18 will receive 1s. 6d. plus cost-of-living allowance. Overtime will be paid for over 48 hours a week. Boys in camp will be called upon to pay a weekly charge of £1 for board.

It is proposed that teacher supervisors be provided in the ratio of at least one to every thirty pupils. They will work with the children, and will be responsible for leisure activities. Monthly contests in work and play will be encouraged.

Girls will be expected to work about five and a half hours daily. Working hours will necessarily be regulated by weather conditions, this being at the discretion of the camp matron.

## REHABILITATION OF NEW ZEALAND SERVICEMEN

C. B. BIRKETT, ACTING TRADE COMMISSIONER

Auckland, October 26, 1943.—New Zealand's plans for the rehabilitation of servicemen are not complete, but machinery is already in operation to cope with this problem. Enacted in October, 1941, the Rehabilitation Act was designed not only for the re-establishment in civil life of ex-servicemen, but also for the reconstruction of wartime industries on a peacetime basis.

The organization to administer the Act is headed by a Minister of the Crown. There is a Rehabilitation Council and a Rehabilitation Board. Sixty Committees have been set up in the main centres, and provision has been made for the appointment of thirty-nine more.

The facilities for rehabilitation are available to both men and women of the three services, irrespective of whether they have served outside New Zealand or not, and to the Merchant Navy. Individual cases are considered on their merits, and the only yardstick is the degree of hardship suffered.

Rehabilitation will no longer begin when servicemen return to New Zealand, provision having been made for the appointment of officers to meet returning men in base camps overseas and on hospital ships.

### FACILITIES FOR DEMOBILIZATION

On demobilization, a serviceman returning from overseas is entitled to twenty-eight days' leave with pay and allowances, a maximum mufti allowance of £25 according to length of service, free travelling warrants to his home, a railway pass valid for one month, and food and clothing coupons. For men and women who have seen full-time service in New Zealand only, the same privileges apply except that privilege leave is fourteen days and no railway pass is issued.

Provision is made for servicemen to be retained on pay while receiving treatment, unless they are fit for employment or otherwise wish to be discharged. Any further treatment required after demobilization is provided by the War Pensions Branch of the Social Security Department, if the man is pensionable. On reporting their cases to this department, men not in this class may be given treatment or admitted to hospital on the authority of the Department.

Increased war pensions were provided by the War Pensions Act, passed earlier this year. For total disablement a single ex-serviceman may receive up to £4 15s. a week, made up of £3 statutory pension and, if he is qualified, 35s. economic pension. The allowance for a disabled man's wife is £1, with an additional 10s. 6d. for each child. A soldier's widow receives a statutory pension of £2 a week and, if qualified, a total of £3 weekly. The rate for orphaned children is 20s.

While many men and women will return to their former employment, it is the duty of the Rehabilitation Division of the National Service Department to assist in placing any who require help.

Trade training of two types is offered. Full-time courses are provided in government training centres, such as those in carpentry and footwear, or at technical colleges, while there is also "on-the-job" training, where the man is placed with a private employer who is paid an agreed subsidy to the wages of the trainee. The trainee is required to remain for at least three years in the industry in which he has been trained. During training the man is paid a gross commencing salary of £5 5s. a week, increasing to £6 in the sixth half-year. An employer is paid a commencing subsidy of £2 12s. 6d. a week, falling to £1 2s. 6d. after two years; at the end of this period the subsidy ceases.



### EDUCATION AND LOANS

Education is provided by a Vocational Guidance Centre, in conjunction with the Department of Education. Based on qualifications as to length of service, the facilities include free places in technical and secondary schools, free correspondence tuition, and free ordinary and special university bursaries, during which a single student is paid up to £5 5s. a week during college terms. Free books and instruments are also provided.

With the State Advances Corporation as its agent, the Rehabilitation Board provides certain financial assistance, all loans being made available up to 100 per cent of valuation. Loans up to £500 are provided for the purchase of businesses, up to £1,500 for the purchase or building of homes, and up to £3,000 for the purchase of farms and £1,250 for stock, the latter amounts being subject to increases up to £3,500 and £1,500 respectively in special cases. Interest-free loans are provided for furniture up to £100 and for tools of trade up to £50.

### LAND SETTLEMENT PLANS

Land settlement has been dealt with in several Acts of Parliament in recent years. Under the Small Farms Act, 1933, authority is given to purchase privately-owned land by negotiation and to take land compulsorily, while the Small Farms Amendment Act, 1940, gives servicemen preference over other applicants. The most recent legislation is the Land Sales Act. The stated policy of the Government is to fully develop and stock farms before allotting them to selected candidates, and settlement of ex-servicemen is to be given preference. So far over 126,000 acres have been purchased, and some of this is nearing the stage for settlement.

Farm training will be given, but so far little has been announced, although it has been stated that wage rates and conditions of employment are under consideration. Provision is being made to train ex-servicemen at the two New Zealand agricultural colleges before placing them with farmer employers for further experience.

### PREFERENCE FOR STATE HOUSES

Fifty per cent of state rental houses are reserved for ex-servicemen, including widows of servicemen who are killed overseas or die after their return to New Zealand, wives of prisoners of war, men on furlough from overseas, and returned servicemen who have not been discharged, such as those retained as instructors.

The needs of the more seriously disabled ex-servicemen are met by the Disabled Servicemen's Re-establishment League, which provides employment in trades ranging from the manufacture of paua-shell jewellery to woodworking.

## CURRENT SITUATION IN THE CUBAN DRIED-FISH MARKET

J. E. O'NEILL, OFFICE OF THE CANADIAN TRADE COMMISSIONER

### SANTIAGO DE CUBA

This market has been more fortunate than Havana, owing to the fact that the trade demands a cheaper type of fish that could be profitably sold at the former fixed price of 27 cents per pound. Therefore, while shipments have been irregular and there have been periods when supplies were exhausted, the Santiago market has continued to be open to Canadian exporters, whose only difficulty was the delivery of supplies. Stocks are reported to be fairly ample at the present time.

Current net prices f.o.b. Lunenburg for medium and small fish are \$17.55 and \$17 respectively, in drums of 128 pounds.

## CANADA'S EXTERNAL TRADE

The following table, prepared by the External Trade Branch, Dominion Bureau of Statistics, shows comparative figures of Canadian imports and exports for the years 1937 to 1942, inclusive, and for the period January 1 to October 31, 1943:—

### *Statistical Summary of Canada's External Trade*

Calendar Year	IMPORTS FOR CONSUMPTION			
	United Kingdom	Other Empire Countries	United States	Other Foreign Countries
	Figures in Millions of Dollars			
1937 . . . . .	147.3	89.3	490.5	81.8
1938 . . . . .	119.3	66.8	424.7	66.6
1939 . . . . .	114.0	74.9	496.9	65.3
1940 . . . . .	161.2	106.2	744.2	70.3
1941 . . . . .	219.4	140.5	1,004.5	84.4
1942 . . . . .	161.1	112.7	1,304.7	65.8
1943 (Jan. to Oct.) . . . . .	113.7	84.3	1,181.2	60.7
EXPORTS				
1937 . . . . .	402.1	104.2	360.0	131.1
1938 . . . . .	339.7	103.2	270.5	124.2
1939 . . . . .	328.1	102.7	380.4	113.7
1940 . . . . .	508.1	147.9	443.0	80.0
1941 . . . . .	658.2	220.4	599.7	142.6
1942 . . . . .	741.7	412.1	885.5	324.4
1943 (Jan. to Oct.) . . . . .	837.2	293.5	910.7	337.6

## EFFORTS TO CONTROL INFLATION IN LATIN AMERICA

*From The Times Trade and Engineering*

An outstanding problem in South America continues to be the persistent tendency towards inflation caused by the large favourable balances of trade which in turn are due mainly to the inability to obtain imports. Corrective steps taken or under consideration include higher taxation, issues of internal bonds, and compulsory subscription to gold or foreign exchange certificates.

In contrast with pre-war years the balance of trade of the United States with Latin America is consistently and heavily unfavourable to the former, and after totalling U.S.\$271,000,000 for the year 1942 amounted in the first quarter of 1943 to U.S.\$88,000,000. Of the latter figure as much as U.S.\$25,300,000 represented Chile's favourable balance with the United States, followed by Argentina with U.S.\$14,800,000, Cuba U.S.\$14,500,000, Colombia U.S.\$10,300,000, and Brazil only U.S.\$10,254,000. It is not surprising, therefore, that currency inflation in South America has been most in evidence in Chile, where the Central Bank has repeatedly struck a warning note. The Chilean Government, however, would be empowered to take widespread corrective steps under the economic plan recently passed by the Chamber of Deputies, including the issue of gold or foreign exchange certificates, such as recently adopted in Colombia.

### MANY GOVERNMENT MEASURES

The recent anti-inflation measures in Colombia, notably the compulsory subscription to two-year gold and dollar certificates, appear to be having the desired effect. It is believed that the Government intends to maintain the present rate of exchange and would not hesitate, if necessary, to introduce heavier direct taxation and possibly further obligatory investment in Government bonds. Other Central American countries are sharing with Colombia in the large United States demand for coffee, cocoa, etc., and Ecuador, in order



to control inflation, is also to issue non-negotiable 3 per cent two-year gold certificates, in which banks must invest not less than 20 per cent of total deposits. The reserve position of Argentine currency continues exceedingly strong, but the plethora of money continues, and the Government's anti-inflation policy includes restriction of profits, fixation of commodity prices, and control of rents.

In addition, internal loans continue to be issued, the latest being for 300,000,000 pesos at 4 per cent, less income tax. The smallness of Brazil's trade balance against the United States compared with that of other leading South American countries is due to the more liberal policy adopted by the United States in supplying Brazil's imports. Apart from the recent remarkable expansion in the value of gold and foreign currency holdings against Brazil's note circulation, the compulsory subscription by all income-tax payers to war bonds must exercise an anti-inflationary effect. The improvement in the shipping position between the United States and South America continues. On the other hand, Argentina is experiencing a difficulty—which it is hoped is only temporary—through the cancellation by the United States of outstanding licences issued before May 1, 1943, for the export of all commodities to Argentina, presumably with the intention of checking up on all consignees of North American goods. With regard to British goods shipped to Latin America *via* the United States instead of direct, while a United States export licence is still necessary, it will no longer be necessary to obtain "import recommendation" from the country of destination in Latin America. The recent announcement that the Ministry of Food had agreed to buy Argentina's export surplus of eggs—additional to the Meat Agreement—was accompanied by a strong Foreign Office hint that Argentina should give proper consideration to the interests of British nationals and that, in the international sphere, a departure from the present neutrality policy would be pleasing to the United Nations.

#### ARGENTINE DEBT REPATRIATION

The inability to obtain imports, combined with the continuance of large exports, has in the case of Argentina resulted in the serious problem of accumulated blocked sterling. Argentina has announced that she proposes to take advantage of these large balances by repatriating the foreign debt up to a total of 500,000,000 pesos (equivalent to about £30,000,000 sterling) to be converted into internal debt. The saving on foreign debt service thus effected will be applied to the industrial development of Argentina. The Finance Minister states that future commercial relations with Great Britain will not be affected, since Argentina's exports do not depend upon the payment of interest on the external debt but on her capacity to import goods of British origin, especially transport material and machinery.

The amount of Argentina's accumulated sterling in London which would be available to pay for British exports (when forthcoming) will, of course, be reduced by the contemplated debt conversion. At the same time, taking the long view, it is obvious that the less Argentina has to pay annually in future on the foreign debt service the more funds can be devoted to the purchase of imported goods. Moreover, Argentina's sterling balances will continue to re-accumulate so long as the war lasts—for instance, meat has for some time replaced grain as the leading Argentine export, and the new Anglo-Argentine Meat Agreement implies a substantial increase in Argentina's sterling and dollar credits. Slightly higher prices should have the effect of stabilizing Argentine meat production and helping to check inflationary tendencies in the Republic, while the long-term nature of the program should encourage Argentina to breed the necessary quantities of live stock during the next few years.

The announcement of the conversion of Argentine Government sterling debt follows close upon the refusal to grant the increase of 10 to 20 per cent on existing tariffs of the British railway lines operating in the country, and this serves to emphasize the feeling of inequitable treatment of the railway stockholders, particularly in view of the rising prices of fuel and replacements. Adequate maintenance of the British railways in Argentina is as much in the interests of that country as of the British investor and, on the announcement of co-ordination between the leading British companies by an arrangement for interlocking directorates comes the report of a financial mission from the companies to Argentina. Whether or not Argentina's announcement of conversion of a large part of the foreign debt is a gesture in the face of Washington's refusal to grant her Lend-Lease aid, moderate opinion in the country realizes that her present isolationist policy militates against her maintaining a leading position in South America, especially as the economic power of her neighbours is largely being built up by supplies of both American essential imports and funds from North America.

#### DEPENDENCE ON UNITED NATIONS

Plain economic facts—as revealed, for instance, in trade returns—point to the large dependence of Argentina upon the goodwill of the United Nations, which must, it is thought, inevitably lead to closer political collaboration. Out of Argentina's total imports during the first seven months of 1943 of 544,000,000 pesos, the United Kingdom—Argentina's chief supplier—furnished goods worth 125,000,000 pesos, followed by the United States with 119,000,000 pesos. Total exports brought in 1,091,000,000 pesos, the chief customer being the United Kingdom with purchases worth 334,000,000 pesos, the United States with 257,000,000 pesos, and the Union of South Africa with 83,000,000 pesos, representing a combined total of well over 60 per cent of Argentina's exports by value. A noteworthy feature is the extent to which Argentina's exports of manufactured and finished articles are compensating for the sharp contraction in exports of agricultural products, especially grain. A large proportion of these industrial products, mainly textiles, is being shipped to South Africa, while among other national manufactures shipped in considerable quantity are foodstuffs, beverages, and tobacco; chemicals, oils, and paints; and pottery, earthenware, and glass. The industrial power of Argentina is calculated to have doubled during the past eight years, the value of industrial production in 1942 being placed by the Argentine Industrial Union at 7,400,000,000 pesos (say £435,000,000 sterling).

Argentina's favourable trade balance during the first seven months of 1943 reached 547,000,000 pesos against only 278,000,000 pesos in the like period of 1942. With a fall in tonnage this year compared with last of 31·5 per cent in imports and 18·5 per cent in exports, it is obvious, however, that the country's economy is supported solely by the high prices obtained for exports. In view of the large favourable balance, it is not surprising that the phethora of money continues, with foreign exchange rates well supported. Against this situation, however, has to be set the anti-inflation measures adopted by the new Government.

#### TEXTILE IMPORTS AND EXPORTS

The market is fairly well stocked, and the recent war news favourable to the United Nations is taken to herald their early victory, with a subsequent fall in prices. Therefore prospective buyers are cautious. Importers complain that it is very difficult now to obtain cottons from the United Kingdom and that Brazilian prices are too high. Importers' and manufacturers' agents state that imported woollens have sold well during the last six months, but that business has lately slackened appreciably. Argentina has been exporting wool textiles



on a large scale, especially to South Africa, but the Argentine Government is understood to view this export trade with some disfavour on the ground that it creates scarcity in the home market, thereby causing a rise in the cost of living and hardships for the poorer classes. It is uncertain whether the authorities will allow this trade to continue on its present scale, and the possibility of restriction is acting as a damper on the market.

The recent reversal of Argentina's grain policy, whereby unrestricted sowings are now encouraged, due to the desire to build up a reserve of grain to be used as fuel, is justified by present low stocks. Exports of linseed in the month of July were equal to over 50 per cent of total linseed exports in the complete year 1942, and the disposable surplus had been reduced by August 14 to only 753,000 tons. Therefore, owing to the fuel crisis, Argentina has now very little linseed and no maize available for export. In fact, it has been necessary to prohibit entirely the export of maize as well as of maize oil, and the third official estimate of the 1942-43 maize crop confirms that the yield will be at the extraordinarily low level of under 2,000,000 metric tons. Very large quantities of wheat as well as of linseed are to be sold as fuel through the medium of the Argentine State Oilfields, which, under a recent decree, has been granted the sole control of all fuel throughout Argentina, including rationing and distribution. In order to safeguard the prestige of Argentine grains in foreign countries, the National Grain Board will in future issue periodically regulations detailing the qualities of grains which may be exported.

The shipping situation, in spite of recent improvement, is still causing anxiety, and the recent Argentine decree declaring the transport of goods by ships flying the Argentine flag to be a public service caused little surprise. For instance, it had been known that, because of the very high freight rates paid between Brazil and South Africa, some Argentine vessels had been going to Brazilian ports to load and then returning to Buenos Aires to refuel and complete their cargoes before crossing the Atlantic. Under the new decree, which excludes river and coastwise traffic, the Argentine Ministry of Marine will decide which route Argentine ships are to take, the goods which they are to carry, and the maximum freight rate to be charged. The decree stated that shortage of tonnage had caused a sharp rise in freight rates and that Argentine vessels should contribute to the prosperity and welfare of the country. Excessive freight rates, it was asserted, had prejudiced Argentina's reputation in other Latin-American countries and were contrary to the present Government's policy of international co-operation. The State would protect the interests of the shipowners so far as compatible with the vital interests of the country.

#### URUGUAYAN CATTLE INDUSTRY

It is understood that agreements similar to the Meat Agreement between Britain and Argentina are under consideration with Uruguay and Brazil. Fortunately, ideal weather has enabled the all-important Uruguayan cattle industry to recover from the recent drought, the general condition of live stock being reasonably good and prospects in the camps quite satisfactory. An official Commission of Exports and Imports has been set up in Uruguay to study all problems relating to overseas trade and to adopt stimulative measures. A recent Government project to create an excess profits tax will probably be withdrawn in favour of an all-round increase of 10 per cent in existing taxes.

The steady improvement in Brazil's overseas trade and internal financial position lends support to the expectation in some New York financial quarters of a new agreement in respect of Brazil's debt service to replace the present modified Aranha plan, and an upward revision of interest rates is predicted. A substantial improvement has taken place in the import situation during the past few months, thanks to the increased shipping space available to exporters in

the United States, so that the greater part of the import "backlog" (i.e., import orders of 1942 and the first quarter of 1943 approved before the adoption of the Preference Requests system) has already been shipped or allotted shipping space. The authorities have warned the public, however, against considering this improvement as permanent, and have advised that every endeavour should be made to economize in imported materials and alternatively to increase consumption of national products.

#### MOVEMENT OF COFFEE

Much larger shipments of coffee in April raised Brazil's favourable balance of trade with the United States for the first four months of 1943 to Cr.\$300,000,000, compared with Cr.\$200,000,000 for the first three months. A much increased trade during the four months of this year was also recorded with other South American countries, on both export and import account. With the improved shipping situation, coffee continues to move out in much larger volume from Santos, while rationing of coffee has been abolished in the United States, due to expectations that the recent rehabilitation of stocks there permits the removal of restrictions upon distribution. A great variety of other Brazilian products has continued to move out in large volume and value. The intensive program for increasing rubber production continues, although the effects are naturally not yet fully seen so that, while it had been hoped to increase rubber output this year to 32,000 tons, reports from the Amazon regions indicate that it is not likely to exceed 23,000 tons. Yet current production is reported to exceed the capacity of existing plants for washing and treating raw rubber.

An outstanding problem in Brazil is the lack of adequate transport. While there is abundant production of many foodstuffs, the lack of transport to cover the vast distances involved leads to actual shortage in many cities. In spite of large sugar production in the north, rationing of this commodity is in force in the cities of Rio de Janeiro and São Paulo, while there is also a shortage of bread and meat. This situation is officially ascribed to inadequate coastwise shipping services, the diversion of rural labour to the armed forces, urban construction in the Federal capital, and the rising cost of land in the interior. Additional reasons put forward at a recent meeting of the Rio de Janeiro Commercial Association were lateness of the crops this year and the uncertainty among growers of foodstuffs in regard to the effects of the fixation of prices. Widespread measures have been officially adopted to control the prices and distribution of foodstuffs. The system is to be based on the fixation of minimum prices for producers and maximum prices for consumers, the margin to cover all costs of transport, storage, distribution, and processing.

#### NEW BRAZILIAN MANUFACTURES

Difficulties in obtaining imported goods are accelerating the noteworthy expansion in Brazil's local industries. For example, the Government has approved a resolution of the Federal Council of Foreign Trade that a national caustic-soda industry should be set up in Brazil as soon as possible, and that a factory using the Solvay process should be built at Cabo Frio, where the two essential raw materials, salt and lime, are found. Moreover, present high prices obtainable for citric acid are stimulating domestic production, and plans are in hand to make Brazil self-supporting in this respect by manufacturing synthetic citric acid from fermentation of the residual waters of sugar mills, also natural citric acid from citrate of calcium obtained from lemons. The consumption of fibres by the jute and other mills in the São Paulo district last year increased to 18,200,000 kg. from 13,339,000 kg. in 1941, and, although the consumption of Indian jute was rather higher at 11,869,000 kg., against 10,026,000 kg., the main feature was the greatly increased employment of Brazilian-grown fibres, such



as jute, guaxima, San Francisco poppy, and caroá. A new company, entitled the *Industria Brasileira de Meias S.A.*, has been formed in São Paulo, with a capital of Cr\$26,000,000, to take over the factories of two well-known hosiery manufacturers which have a combined installation of nearly 500 American and German machines. The combined unit now becomes the largest hosiery manufactory in Brazil.

The lack of political cohesion is causing delay in the final approval of urgent measures now before the Chilean Congress, including the Economic Plan which will control profits, prices, and distribution of industry. Public works are engaging increasing attention, projects contemplated including Government investment of 500,000,000 pesos in hydro-electric works, 100,000,000 pesos for roads—particularly in the extreme south—and 80,000,000 pesos for railways, including the inter-Argentine lines. The proceeds of the recent additional copper tax are to be used as to 75 per cent for roads, railways, port, and irrigation works. A Government Bill before Congress proposes to exploit the State-owned nitrate reserves, for which 230,000,000 pesos might be borrowed at home or abroad. The recent economic convention with Argentina is stated to be the first step towards an inter-continental economic arrangement to remove Customs barriers between the Republics of America.

#### STEADY PROGRESS IN PERU

Reports from Peru continue good, and the President's recent message to Congress was an encouraging review of progress in all directions. Among the indices to this progress was the growth in national income from the principal taxes—notably income tax—as well as the increase during the past three years in deposits and advances of the commercial banks. The President mentioned the important work being done by the Banco Minero in fostering the development of the smaller mining concerns, and emphasized the importance of the recently created *Corporación Peruana del Amazonas*, which will stimulate the production of rubber, quinine, and other commodities available in the tropical region of Peru. In this latter connection the President mentioned that the road linking Lima with the Pucallpa river was virtually completed, and should greatly facilitate communications with Iquitos in the near future. Among new industries of promise, Dr. Prado referred to the tire factory now in production in Lima, the progress being made in the construction of the new Port of Chimbote, and the Santa Valley hydro-electric project which is now being started. The country's production of petroleum last year was 14,632,530 barrels valued at 375,000,000 soles. During the first half of 1943 it exceeded 200,000,000 soles. The rich coal deposits near Chimbote (in the north of the Republic) are being worked, and it is hoped that Peru will be able shortly to export some 4,500 tons monthly. The coal is high-quality anthracite.

### TARIFF CHANGES AND TRADE REGULATIONS

#### British Guiana

##### ISSUE OF IMPORT LICENCES FOR CHIP BOXES SUSPENDED

The British Guiana Controller of Supplies announced on November 19 that, until further notice, no licences will be issued for the importation of chip boxes.

##### IMPORT LICENCES FOR WATCHES

Notice was given on November 19 that applications from regular importers, based on their quota allocations, for licences to import from any source watches not exceeding 30s. each ex factory will be considered.

**Grenada****DUTIES REDUCED ON DRIED FISH AND RICE**

A Grenada Ordinance of October 8, 1943, reduced the duty on dried, salted, smoked or pickled fish from 1s. 8d. per 100 pounds to free of duty under the British preferential tariff and from 2s. 6d. to 10d. per 100 pounds under the general tariff. This Ordinance also removed the preferential duty of 2s. per 100 pounds on rice and reduced the general tariff from 3s. to 1s. per 100 pounds. Canadian products are accorded the British preferential rates.

**FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING DEC. 6, 1943**

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, December 6, 1943, and for the week ending Monday, November 29, 1943, with the official rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Nov. 29	Nominal Quotations in Montreal Week ending Dec. 6	Official Bank Rate
Great Britain. . . . . Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. . . . . Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico . . . . . Peso	.4985	.2284	.2284	4
Jamaica . . . . . Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. . . . . Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2782	.2782	—
Brazil. . . . . Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana . . . . . Dollar	1.0138	.9313	.9313	—
Chile . . . . . Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. . . . . Peso	.9733	.6358	.6358	4
Venezuela . . . . . Bolivar	.1930	.3330	.3330	—
Uruguay. . . . . Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5883	.5883	—
South Africa. . . . . Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India . . . . . Rupee	.3650	.3359	.3359	3
Australia . . . . . Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. . . . . Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—



# COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

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## Australia

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*Sydney:* K. F. NOBLE, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

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**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.



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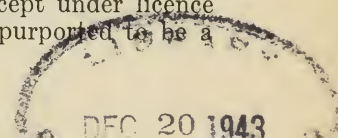
## LABELLING AND ADVERTISING OF FOODS IN THE UNITED KINGDOM

J. A. LANGLEY, CANADIAN TRADE COMMISSIONER

London, November 16, 1943.—The Ministry of Food has issued a White Paper announcing new powers which it has assumed with a view to protecting the public against fraudulent claims on behalf of prepared foods. The Ministry of Food is charged with the responsibility of providing consumers with a supply of food that is adequate in quantity and satisfactory in quality to maintain the nation in health. This carries with it the obligation to protect the consumer against being misled in regard to foodstuffs that are offered for sale.

This protection is even more important in war than in peace. In times of plenty false and misleading claims regarding the quality or nutritive properties of particular foodstuffs, while highly reprehensible, may cause less actual harm than under wartime conditions, since in the former case adequate supplies of alternative foods are available. But when the national diet is only just sufficient to maintain health, the use of inferior articles for which exaggerated claims are made may be serious, particularly to mothers, children and adolescents.

As a first step towards providing additional protection for the public in regard to the quality and nutritional properties of its food supply, the Food Substitutes Order, 1941, was issued, making it an offence, except under licence of the Minister of Food, to manufacture any product which purported to be a



substitute for a food. Where necessary, appropriate labelling was made a condition of the grant of licences under the Order, but the Order was, of course, only applicable to the limited range of products coming within the definition of a food substitute.

The desirability of protecting the consumer by the determination of food standards, which had been the subject of recommendations by earlier Committees, was again emphasized by the Departmental Committee on Composition and Description of Food, which issued its report in 1934. As a result, suitable provision was made in the Food and Drugs Act, 1938. This Act did not come into force until October, 1939, by which date the Ministry of Food was established. Consequently the Minister of Health has not exercised the power conferred upon him by the Act for the determination of standards for food. The need for standards has been accentuated by wartime shortage of supplies and the consequent danger of a reduction in the quality of certain manufactured foodstuffs.

For these reasons the Government has decided that, in the present circumstances, the Minister of Food shall be responsible for the protection of the consumer against false and misleading claims in regard to foodstuffs and shall exercise certain of the powers already granted by Parliament to the Minister of Health and the Board of Trade. These powers are contained in Section 8(1) (b) and (c) of the Food and Drugs Act, 1938, and Section 9(1) (c) of the Sale of Food (Weights and Measures) Act, 1926 (see appendix). The former enables the Minister of Health to make regulations stipulating the manner in which foods are to be labelled and regulating the composition of food. The latter empowers the Board of Trade to make regulations requiring pre-packed foods to be labelled with an indication of their weight or measure.

The Defence (Sale of Food) Regulations have recently been made, involving the following changes in the law:—

(a) Section 6 of the Food and Drugs Act, 1938 (see appendix), is suspended as from January 1, 1944, so far as it relates to food, and is re-enacted in a modified form, with the effect that:—

- (i) the display of a label which falsely describes any food exposed for sale is now an offence, whereas under the Act no offence was committed until a sale was made;
- (ii) whereas under the Act it is an offence to give a label, or to publish or to be a party to the publication of an advertisement which falsely describes or is otherwise calculated to mislead as to the nature, substance or quality of a food, this offence will now specifically include giving a label or publishing an advertisement which misleads as to the nutritional or dietary value of a food.

(b) The necessary powers to control the labelling and composition of food are granted to the Minister of Food, who is authorized to proceed by Order.

(c) An additional power, not contained in previous legislation, is conferred on the Minister of Food, enabling him by Order to restrict the making in advertisements of food of claims or suggestions of the presence of vitamins or minerals.

(d) Where the law regarding the labelling and advertising of food in Scotland and Northern Ireland is affected by these Regulations, it is, so far as practicable, made uniform with the law in England and Wales.

(e) The Minister of Food becomes an enforcing authority in addition to those already acting under the statutes referred to above.



(f) Except in such cases as Orders under the Regulations may provide, the consent of the Minister of Food is required before proceedings under the Regulations may be instituted by a Food and Drugs authority.

Under the powers granted by the Regulations, the Minister of Food will issue Orders creating standards for particular foods as necessity arises. In order to obtain technical assistance in fixing appropriate food standards in cases where they have become urgently necessary as a result of wartime conditions, the Minister of Food has appointed an Advisory Committee consisting of representatives of the Ministry of Food, the Ministry of Health and the Government Chemist's Department, and of public analysts nominated by the Society of Public Analysts and other Analytical Chemists. This Committee has already had under consideration standards for a number of foods and has been in close consultation with representatives of the traders concerned. It is the Government's intention that in fixing standards full consideration shall continue to be given to responsible trade opinion.

Under the powers conferred by the Regulations in the matter of labelling, it is proposed to require by Order that, in general, pre-packed articles of food shall bear a label indicating the following particulars:—

- (a) The name and address of the packer.
- (b) The common or usual name (if any) of the food.
- (c) The minimum quantity of food contained in the package.
- (d) The common or usual names (but not the proportions) of the ingredients of the food.

Provision will be made for relaxing these requirements in appropriate cases, and the disclosure of ingredients will not be necessary in the case of foods for which a standard is prescribed under the Regulations. In this way the public will be fully protected as to the quantity of food they are buying, and also as to its quality, either by the existence of a standard or by the disclosure of its ingredients. In all cases where the public will not be seriously prejudiced, ample time will be allowed traders to enable them, with the minimum of inconvenience, to amend their labels and dispose of existing stocks.

The necessity for restricting claims or suggestions in advertisements regarding the presence of vitamins and minerals in a food is in part the direct consequence of the Government's nutritional policy. It is essential for the health of the nation that the value of protective foods should be emphasized. This policy must not be exploited in relation to foodstuffs where the protective element is absent or present in ineffective quantity. In the case of products recommended as medicines, in which the presence of vitamins or minerals is claimed, it is already necessary that the label should bear a quantitative disclosure of these active ingredients. After consultation with the Medical Research Council, the Government has decided that a similar quantitative disclosure of the vitamin or mineral content shall also be required in the case of foods in which the presence of these constituents is claimed.

The defences available to traders under the Food and Drugs Act, 1938, and the Sale of Food (Weights and Measures) Act, 1926, are preserved in relation to offences under these Regulations. This continuity is secured by the provision that an Order issued under the Regulations may include the warranty defence and the defence available where some other person is responsible for the commission of the offence charged. In regard to offences respecting misleading advertisements, the defence available in the Food and Drugs Act, 1938, to those whose business it is to publish or arrange for the publication of advertisements is also retained.

## APPENDIX

## FOOD AND DRUGS ACT, 1938

## Section 6—

*Labels and Advertisements describing incorrectly Food or Drugs*

(1) A person who gives with any food or drug sold by him a label, whether attached to or printed on the wrapper or container or not, which falsely describes that food or drug or is otherwise calculated to mislead as to its nature, substance or quality, shall be guilty of an offence, unless he proves that he did not know, and could not with reasonable diligence have ascertained, that the label was of such a character as aforesaid.

(2) A person who publishes, or is a party to the publication of, an advertisement (not being such a label so given by him as aforesaid) which falsely describes any food or drug or is otherwise calculated to mislead as to its nature, substance or quality, shall be guilty of an offence.

Provided that in proceedings under this subsection it shall be a defence for the defendant to prove either:—

- (a) that he did not know, and could not with reasonable diligence have ascertained, that the advertisement was of such a character as aforesaid; or
- (b) that, being a person whose business it is to publish, or arrange for the publication of, advertisements, he received the advertisement for publication in the ordinary course of business.

In any such proceedings as aforesaid against the manufacturer, producer or importer of the food or drug, it shall rest on the defendant to prove that he did not publish, and was not a party to the publication of, the advertisement.

## Section 8—

*Power of Minister of Health to make Regulations as to the Importation, Preparation, Storage, Sale, Delivery, etc., of Food*

(1) The Minister of Health (hereafter in this Act referred to as "the Minister") may, subject to the provisions of this section, make regulations (in this Act referred to as "Food Regulations") for all or any of the purposes mentioned in any of the following paragraphs, that is to say:—

- (b) requiring wrappers or containers enclosing or containing food of various kinds to be labelled or marked in accordance with the Regulations;
- (c) prohibiting or restricting the addition of any substance to, and regulating generally the composition of, any food.

## SALE OF FOOD (WEIGHTS AND MEASURES) ACT, 1926

## Section 9—

*Power of Board of Trade to make Regulations*

(1) The Board of Trade, after consultation with the Minister of Agriculture and Fisheries and such interests as appear to them to be concerned, may make regulations for the purpose:

- (c) of requiring any pre-packed articles of food, other than those mentioned in the first schedule to the Act, to be labelled with an indication of their weights or measures.

**OVERSEAS TRADE OF AUSTRALIA IN 1941-42****K. F. NOBLE, ACTING TRADE COMMISSIONER**

Sydney, October 1, 1943.—For the year ended June 30, 1942, the total value in British currency of Australia's overseas trade was £276,564,178 (\$1,225,179,308), an increase of £32,905,069 over the previous year's total of £243,659,109.

Increases in value were recorded for both exports and imports. Total imports were valued at £149,355,797 (\$661,646,180) as compared with £108,650,056 in 1940-41, an increase of £40,705,741; the value of exports totalled £127,208,381 (\$563,533,127) as compared with £107,574,912 in the previous year, an increase of £19,633,469.

Again there was an adverse balance of trade, amounting to £22,147,416 as compared with £1,075,144 in 1940-41.

Since, on account of wartime regulations, statistics showing the direction of trade are still unavailable, an analysis of the trading position in relation to



individual countries cannot be supplied. However, with the exception of figures for gold, silver and bronze specie and certain essential war materials, statistics covering imports and exports by main classes have been published, and these afford an interesting indication of the wartime trend of Australia's trade.

The following table shows values of Australia's exports and imports by main classes during the years 1940-41 and 1941-42:—

*Australian Exports and Imports by Main Groups*

	Exports		Imports	
	1940-41	1941-42	1940-41	1941-42
	Pounds Australian	Pounds Australian	Pounds Sterling	Pounds Sterling
Foodstuffs of animal origin . . . . .	32,374,174	27,980,804	1,070,792	804,512
Foodstuffs of vegetable origin . . . . .	28,621,912	19,833,310	4,611,796	5,377,590
Spirituous and alcoholic liquors . . . . .	2,320,972	2,646,009	601,908	345,403
Tobacco . . . . .	547,909	841,248	495,351	827,658
Live animals . . . . .	237,400	114,172	44,616	32,011
Animal substances, not foodstuffs . . . . .	44,195,750	64,523,111	1,335,941	764,212
Vegetable substances and fibres . . . . .	449,570	511,484	4,092,327	*
Apparel, textiles and yarns . . . . .	1,910,796	*	24,217,002	28,711,895
Oils, fats and waxes . . . . .	1,093,705	*	†	†
Paints and varnishes . . . . .	195,573	209,137	692,083	688,895
Stones and minerals . . . . .	1,655,230	*	1,123,680	*
Metals, metal manufactures and machinery . . . . .	12,296,451	*	37,050,255	*
Rubber and leather . . . . .	1,398,394	*	2,703,219	*
Wood and wicker . . . . .	1,103,844	919,921	1,059,762	*
Earthenware, glass and stoneware . . . . .	232,341	352,465	1,630,334	1,913,493
Paper and stationery . . . . .	415,587	444,700	5,796,741	3,804,193
Jewellery and fancy goods . . . . .	105,523	145,651	829,646	756,926
Optical, surgical and scientific instruments . . . . .	399,963	306,791	1,704,363	1,898,957
Drugs, chemicals and fertilizers . . . . .	1,335,943	1,514,666	5,593,553	*
Miscellaneous . . . . .	3,846,540	*	†	†
Totals . . . . .	134,737,577	159,328,498	108,650,056	149,355,797

\* Figures not available for publication.

† Included in total.

## EXPORTS

(£A1 equals \$3.5760 Canadian)

Values of exports are shown in Australian currency and, as indicated in the foregoing table, there was a marked increase in the total for 1941-42, amounting to £A159,328,498 as compared with £A134,737,577 in 1940-41.

For national security reasons, publication of total values of exports in the following groups has been suspended: apparel, textiles and manufactured fibres; oils, fats and waxes; stones and minerals; metals, metal manufactures and machinery; and miscellaneous. Of the fourteen classes for which figures are available, however, nine showed increases. The largest increase was in animal substances, not foodstuffs, exports of which rose to £A64,523,111 from £A44,195,750 in 1940-41, an improvement of £A20,327,361. The chief items in this group are: greasy wool, £A47,831,780 (£A32,888,968); scoured wool and tops, £A10,209,333 (£A6,756,568); rabbit skins, £A3,368,644 (£A2,207,591); sheepskins, £A2,140,613 (£A977,736).

The value of exports of spirits and alcoholic liquors increased to £A2,646,009 from £A2,320,972 in 1940-41, the improvement being in shipments of ale, beer, port, cider and perry, which totalled £A1,539,650 (£A1,373,221), and in spirits, for which the value was £A608,495 (£A431,338), while exports of wines fell to £A497,864 (£A516,413).

Shipments of drugs, chemicals and fertilizers, advanced to £A1,514,666 (£A1,335,943), the greatest increase being in perfumery and preparations, which rose to £A388,178 from £A184,780 in the previous year.

The other increases were in: tobacco, £A841,248 (£A547,909); vegetable substances, £A511,484 (£A449,570); paints and varnishes, £A209,137 (£A195,573); paper and stationery, £A444,700 (£A415,587); earthenware, glass and stoneware, £A352,465 (£A232,341); and jewellery and fancy goods, £A145,651 (£A105,523).

The largest decrease was for foodstuffs of vegetable origin, the value of which totalled only £A19,833,310 as compared with £A28,621,912 in the previous year, a decline of £A8,788,602. This was chiefly accounted for by reduced exports of the following: wheat, £A4,644,793 (£A9,247,836); wheaten flour, £A4,191,382 (£A7,427,132); and sugar, £A2,636,430 (£A4,880,402). However, exports of raisins increased to £A1,958,522 from £A1,790,990 in 1940-41.

Foodstuffs of animal origin also showed reduced export values, totalling £A27,980,804 as compared with £A32,374,174 in 1940-41, a decline of £A4,393,370. Butter fell to £A8,124,975 (£A11,973,485), frozen lamb to £A4,498,081 (£A5,864,519), and beef to £A2,498,416 (£A3,761,732), but milk and cream exports increased to £A2,059,724 (£A1,528,951).

Wood and wicker exports declined to £A919,921 (£A1,103,844), the decrease being in wood and wicker manufactures, including furniture, £A197,396 (£A336,740).

### IMPORTS

(£1 sterling equals \$4.43 Canadian)

The marked improvement of £40,705,741 in the value of imports in 1941-42 to £149,355,797 as compared with £108,650,056 in 1940-41 was the result of lend-lease assistance. Particulars of these imports are, of course, not published and, for national security reasons, the publication of total values of imports in 1941-42 under the following headings is prohibited: vegetable substances; oils, fats and waxes; metals, metal manufactures and machinery; stones and minerals; rubber and leather; wood and wicker; drugs, chemicals and fertilizers; and miscellaneous.

### METALS, METAL MANUFACTURES AND MACHINERY

*Machines and Machinery.*—Total imports in 1940-41 were valued at £13,237,031. Of the items for which figures are available for 1941-42 the chief increases were in other electric machinery, with a total of £1,435,279 (£1,302,185), and in roller and ball bearings, for which the value was £588,894 (£434,185). Imports of covered wire and cable were valued at £1,029,463 (£1,222,034); yarn and textile machinery, £574,971 (£649,652); mining machinery, £180,675 (£285,066); dairying machinery, £59,036 (£69,326); and agricultural machinery £33,425 (£66,102).

*Metals and Manufactures.*—Increases were shown for the following items: tools of trade, £927,715 (£824,051); plated ware and cutlery, £633,958 (£615,900); cycles and cycle parts, £377,272 (£341,763); and motor-cycles, side-cars, etc., £301,179 (£65,285), while decreases were recorded for: lamps and lampware, £180,212 (£184,247); leaf and foil, £115,010 (£149,273); and motor bodies and parts, £4,734 (£22,064).

### VEGETABLE SUBSTANCES

Increased figures were shown for: pulp for paper-making, £852,276 (£699,272); fibres, other than raw cotton and kapok, £660,166 (£415,855); linseed, £595,446 (£510,644); gums and resins, £584,922 (£462,933); tanning substances, £255,327 (£96,297); and copra, £225,563 (£178,593).

### OILS, FATS AND WAXES

There were increases in imports of fats and waxes, £395,668 (£335,269); and olive oil, £29,685 (£24,896).



## DRUGS, CHEMICALS AND FERTILIZERS

The only noteworthy increases were in perfumery and preparations, £225,341 (£171,466); and medicines, other than proprietary, £423,014 (£387,844). Decreases were shown for the following: dyes, £613,890 (£653,794); fertilizers, £540,333 (£695,864); proprietary medicines, £306,575 (£375,207); essential oils (non-spirituous), £141,942 (£173,922).

## STONES AND MINERALS

Improved figures were shown for asphalt, bitumen and pitch, £201,810 (£190,731) and stones, other than abrasives, £15,533 (£11,423); imports of other minerals declined in value to £655,327 (£701,326).

## RUBBER AND LEATHER

Leather imports increased in value to £132,322 (£100,558). Figures for crude rubber, rubber waste, etc., are not available, only those for boot and apparel elastic and rubber thread, £235,499 (£187,245); tires, pneumatic and other, £147,746 (£11,387); and other rubber manufactures, £108,881 (£81,585).

## WOOD AND WICKER

Under this heading the only figures available are for dressed timber, £82,711 (£101,077); and wood and wicker manufactures, including furniture, £167,161 (£232,612).

## APPAREL, TEXTILES AND MANUFACTURED FIBRES

An increase of £4,494,895 was shown in total imports under this heading to £28,711,895 (£24,217,000), being accounted for by the three following sub-sections:—

*Apparel and Attire.*—Total imports were valued at £1,944,046 as compared with £1,467,832 in the previous year, an increase of £476,214. Chief among items showing improvement were: apparel and attire, £770,975 (£502,438); gloves, £475,404 (£234,004); trimmings and ornaments, £299,288 (£251,939); and hats and caps, £114,205 (£106,858); there were noteworthy decreases in furs and skins, wholly or partly made up, dressed or prepared, £42,701 (£138,084); buttons, £76,682 (£85,937); and boots and shoes, £50,236 (£76,973).

*Textiles.*—The total value of imports amounted to £20,847,161 (£17,637,866), an increase of £3,209,295 accounted for principally by the following items: piece-goods of silk, including art silk, £4,107,265 (£3,062,947); hessian and jute piece-goods, £1,204,182 (£831,537); cotton and linen piece-goods, £7,923,903 (£7,772,372); floor coverings, £1,801,300 (£1,568,554); and towels and towelling, £617,849 (£434,605). There were decreases in canvas and duck imports, £901,112 (£1,009,084); and in those of sewing cottons and threads, £693,176 (£769,465).

*Manufactured Fibres.*—The total value of imports amounted to £5,920,686 (£5,111,304), an increase of £809,382. The chief items affected were corn and flour sacks, £2,690,805 (£1,770,990); and artificial silk yarns, £1,351,188 (£1,098,108).

## FOODSTUFFS OF VEGETABLE ORIGIN

Imports in this group showed an increase in value of £765,795, the total rising to £5,377,590 (£4,611,796). The chief commodity is tea, imports of which rose to £3,919,448 as compared with £2,884,731 in the previous year. Other items showing increases were: coffee and chicory, £200,047 (£146,376); unpre-

pared grain or pulse, £198,815 (£118,476); and spices, £110,976 (£82,772). The most noteworthy decreases were in cocoa and chocolate, £208,620 (£462,883); and edible nuts, £272,152 (£295,295).

#### EARTHENWARE, GLASS AND STONEWARE

Imports under this heading showed an improvement of £283,159 to £1,913,493 (£1,630,334), accounted for by improved figures in the three classes of commodities: crockery and other household ware, £740,709 (£604,035); glass and glassware, £741,461 (£662,574); and other earthenware, cements, china and stoneware, £431,323 (£363,725).

#### OPTICAL, SURGICAL AND SCIENTIFIC INSTRUMENTS

Values under this heading rose to £1,898,957, an improvement of £193,594 over the previous year's figure of £1,705,363. The chief items in this group were: surgical and dental instruments, £717,835 (£607,278); cinematograph films, £532,653 (£509,575); optical and meteorological instruments, £138,818 (£136,445); and other instruments, £467,600 (£408,528).

#### TOBACCO

The value of imports under this heading rose to £827,658 (£495,351), an increase of £332,307. The principal item was unmanufactured tobacco with a value of £745,874 (£442,687).

#### PAPER AND STATIONERY

There was a decrease of £1,992,548 in the value of imports under this heading, the total falling to £3,804,193 (£5,796,741). This class is divided into two sections as follows:—

*Paper.*—The total value of imports of paper declined by £2,035,129 to £2,394,062 from £4,429,191 in 1940-41. The types included were: printing paper, £1,077,006 (£2,195,465), writing and typewriting, £263,079 (£831,845); wrapping, £241,268 (£408,865); millboards and other boards, £138,487 (£229,830); parchment paper, £130,872 (£200,708); other papers, £543,350 (£562,698).

*Stationery, etc.*—There was an increase of £42,581 in the value of imports under this heading, the total for which amounted to £1,410,131 as compared with £1,367,550 in the previous year. The chief items were: books, directories, etc., £779,732 (£772,405); pens and pencils, £145,437 (£159,577); and paperhangings and wallpapers, £66,999 (£52,860).

#### FOODSTUFFS OF ANIMAL ORIGIN

Imports under this heading declined in value to £804,512 from £1,070,792 in 1940-41, a decrease of £266,280. This was mainly accounted for by a falling-off under this heading, the total for which amounted to £1,410,131 as compared with £619,950 in the previous year. However, there was a marked increase in imports of sausage casings, the total value for which was £345,865 (£177,601).

#### ANIMAL SUBSTANCES, NOT FOODSTUFFS

A decrease of £571,729 was recorded for the value of imports in this category to £764,212 (£1,335,941). The largest reduction was in raw silk, for which the value was £89,019 (£562,508). Other decreases were in hair and fibre, £167,836 (£172,305); wool, £113,996 (£288,898); and gelatine and glue, £21,779 (£23,332). Imports of calf, cattle and horse hides and skins were higher at £154,396 (£70,555).



## JEWELLERY AND FANCY GOODS

The total value for this group was £756,926 (£829,646), a decrease of £72,720. The commodities of chief interest were timepieces, watches and clocks, imports of which totalled £253,287 (£311,501).

## PAINTS AND VARNISHES

Imports under this heading remained practically stable during the year under review, being valued at £688,895 (£692,083).

## SPIRITUOUS AND ALCOHOLIC LIQUORS

The decrease in the value of imports in this class amounted to £256,505, the total falling to £345,403 (£601,908). This was due to severe restrictions on whiskey imports, for which the value was only £299,780 (£521,294), and on those of gin, which amounted to £20,522 (£32,871).

## LIVE ANIMALS

Total imports of live animals were valued at £32,011 as compared with £44,616 in the previous year, a decrease of £12,605.

In the miscellaneous group the largest receipts were of goods imported by parcel post, the value of which was £630,981 (£362,883). Other items were articles of celluloid, £179,796 (£183,174); bags, baskets and boxes, £119,692 (£123,866); and vacuum cleaners, £79,870 (£75,201).

## NEW ZEALAND MEAT PRODUCTION

## C. B. BIRKETT, ACTING TRADE COMMISSIONER

Auckland, October 26, 1943.—Live-stock prospects for the season just beginning have been affected by unusually wet weather in September throughout most parts of New Zealand. In the South Island lambing has been seriously affected and some heavy losses are reported both of ewes and lambs.

Killings of lambs during the past season (ended September 30) were just above the average of 10,917,000 head for the four war seasons as compared with an average of 9,225,000 head for the previous four seasons. During the war seasons, killings of sheep have averaged 2,600,000 head as against 2,100,000 for the four seasons immediately prior to the war, and there has been a heavy increase in ewe killings, which have averaged 820,000 head more than in the four pre-war seasons. Shipment of ewe carcasses to the United Kingdom has recently been resumed and, in view of a request for as much meat as possible, killings will likely continue to increase.

Beef killings in the 1942-43 season totalled 56,000 quarters, the lowest figure for any of the war seasons, which have averaged 640,000 quarters. Supplies of beef cattle are short; in fact in the South Island it has become impossible to obtain requirements to sell within the limits of official ceiling prices, and the matter is under consideration by the Government.

Particulars of pig killings and stocks are at present withheld, but up to the end of July they totalled about half those to that date last season, and there is no indication of any improvement in supplies. It is reported that the Minister of Marketing has decided to guarantee to producers a continuation of the present winter and summer schedules of prices for another two seasons, to the end of September, 1945. In the meantime the prohibition of the retail sale of pork has been further extended.

The level of stocks of meat in store is regarded as satisfactory, comparing favourably with the position at this time last year. At the end of August, stocks of beef represented about 28 per cent of killings as compared with 48 per cent last year. Stocks of boned veal, although killings of calves increased some 80 per cent, stood at 35 per cent of killings, a considerable improvement over the figure recorded for last October. Stocks of lambs and wethers at August 31 were larger than at the same date last year, but clearances in September improved the position considerably. A recent shipment of ewes reduced stocks to about half the quantity held at this date last year.

#### EXPORTS OF MEAT

The latest statistics available are up to June 30—the recognized end of the production year. During that twelve-month period the quantities and values of meat shipped to the United Kingdom, with comparative figures for 1941-42, were as follows:—

##### *New Zealand Meat Exports to the United Kingdom*

	1941-42 Cwt.	1942-43 Cwt.	1941-42 £	1942-43 £
Beef . . . . .	788,683	711,824	1,953,117	1,653,984
Lamb . . . . .	3,248,373	3,202,647	11,321,817	11,090,146
Mutton . . . . .	893,085	395,802	1,625,370	673,222
Pork . . . . .	479,178	45,647	1,817,856	165,823

#### NEWFOUNDLAND FOOD AND PRICE CONTROLS

##### R. P. BOWER, ACTING TRADE COMMISSIONER

Saint John's December 3, 1943.—The cost-of-living index for Saint John's as at November 6, 1943 (basis October 1938 = 100) stood at 156·7, or 8·2 points higher than at the beginning of the preceding month. This index applies to Saint John's only and not to other parts of the Island.

Reference was made in a preceding report on this subject to a weakness in the compilation of the index, particularly the failure to consider rent as a factor in the cost of living. While an allowance has been made for rent, this has remained constant since it was established and subsequent increases in rents for furnished dwellings have not been taken into consideration.

The increase shown as at November 6 arises from an adjustment in the clothing and sundries sub-groups. Weighting for these groups has remained constant since September, 1942, because no account has been taken of increases in the interval. A study of actual conditions has now been made, and the results have been projected into the index for the month of November, 1943. The review of the clothing group showed that since the last revision (September, 1942) the cost of clothing has increased 46·3 per cent and has advanced 86·3 per cent since October, 1938. Revision of the sundry sub-group shows an increase of 53·5 per cent over the 1938 figure and of 38·5 over last month. In order to keep the cost-of-living index in closer relation with actual conditions, the Price Controller has announced his intention to revise the index in respect of the clothing and sundries sub-groups three times per year in future.

There is no uniform arrangement in Newfoundland whereby wages are adjusted in conformity with fluctuations in the cost-of-living index, although automatic adjustments in wages are provided for in certain organizations where settlements of the Trade Dispute Board apply. The fact that prices have



increased by a minimum of 57 per cent since October, 1938, has been a hardship to people with fixed incomes. The Government has recognized the situation as far as Civil Servants are concerned, and war bonuses have been provided since September 1, 1941. Since the cost-of-living figure for the month of November was published, the Labour Relations Officer issued a public notice to employers and workmen in the wholesale and retail trade in Saint John's to the effect that as from the beginning of the pay week starting November 6, 1943, the cost-of-living allowance provided under the general scale laid down by the Trade Dispute Board in its settlement is to be increased by a further 10 per cent of the relevant basic rate. The cost-of-living allowance now stands at 50 per cent of this rate.

### MILK PRICES

In consequence of the increased costs to farmers, particularly in respect of cattle feeds and dairy rations, the price of liquid milk to the producer was increased as of December 1, 1943, to 80 cents per gallon.

Current maximum retail prices of pasteurized milk are as follows, with comparative prices fixed by the latest preceding Order (issued on September 3, 1942) shown within parentheses: half pint, 8 cents (7 cents); pint, 15 cents (13 cents); quart, 27 cents (23 cents); gallon, \$1.09 (92 cents).

Corresponding prices for liquid raw milk are: half pint, 7 cents (6 cents); pint, 14 cents (12 cents); quart, 25 cents (21 cents); gallon, \$1 (84 cents).

### PRELIMINARY ESTIMATE OF ARGENTINE GRAIN CROPS

Mr. W. B. McCullough, Assistant Commercial Attaché at Buenos Aires, reports that on November 17 the Argentine Department of Agriculture issued a preliminary production estimate of the 1943-44 grain crops. According to this announcement, the production of all grains for the current season will be above that of last year. The estimated figures, with the percentages of increase from those for last year, are: wheat, 312,290,000 bushels (32.8 per cent); flaxseed, 70,866,000 bushels (18 per cent); oats, 136,164,000 bushels (262.1 per cent); barley, 40,427,200 bushels (151.4 per cent); rye, 55,118,000 bushels (827.8 per cent); birdseed, 40,700 short tons (32.1 per cent).

Comparative figures of grain production in Argentina are shown in the following table:—

#### *Argentine Grain Production*

	Wheat Bus.	Flaxseed Bus.	Oats Bus.	Barley Bus.	Rye Bus.	Birdseed Short Tons
1943-44* . . . . .	312,290,000	70,866,000	136,164,000	40,427,200	55,118,000	40,700
1942-43. . . . .	235,136,000	60,039,250	37,607,200	16,079,000	5,905,500	30,800
1941-42. . . . .	224,114,000	62,992,000	29,178,000	16,997,800	5,511,800	28,600
1940-41. . . . .	299,431,000	67,716,400	34,981,180	31,652,660	9,460,611	33,220
1939-40. . . . .	130,720,920	42,535,348	52,040,584	33,357,034	14,566,900	31,350
1938-39. . . . .	379,107,568	57,005,319	49,140,291	20,878,857	14,616,821	36,004
5-year av. . . . .	253,701,898	58,057,679	40,589,451	23,793,061	10,019,429	31,995
10-year av. . . . .	239,416,761	63,094,401	45,032,547	24,729,824	9,266,871	34,597

\* Preliminary estimate of November 17, 1943.

## CULTIVATION OF MEDICINAL PLANTS IN CHILE

M. J. VECHSLER, CANADIAN COMMERCIAL ATTACHÉ

Santiago, November 30, 1943.—Chilean agricultural activities include the production of medicinal plants. Following developments in recent years, Chile is now producing opium, morphine, pyrethrum, lavender, oils of mint and eucalyptus and a variety of narcotics.

Trials were first begun on a farm near Santiago with poppy seeds obtained from Turkey, mint from the United Kingdom, lavender from France, fennugreek and licorice from Egypt, belladonna and valerian from Germany, pyrethrum from Dalmatia and some others. Locally produced seeds to be used as a basis for production were obtained after a great number of investigations undertaken with a view to the conservation of their germinative power. The first plantings consisted of about an acre of poppies and a considerably smaller acreage of mint. Opium paste is one of the most valuable products, due to its medicinal importance. It is extracted from the Turkish poppy and serves as a base of morphine, laudanum, Dover powders, codeine and some twenty other derivatives in the narcotic category. Special attention has been given to the cultivation of poppies.

Because of the importance of the cultivation of medicinal plants, the Corporation de Fomento de la Produccion (Corporation for the Development of Production, a quasi-official organization) granted a loan of 1,200,000 Chilean pesos in 1941 to those who first undertook production, which has since been repaid. As a result of this financial assistance, 370 acres are now planted to poppies, 124 acres to pyrethrum, and 74 acres to coriander. A laboratory and other installations for production on an industrial scale, have been provided. As a result of the increase in plantings, national requirements were met in 1942, and some small export shipments were effected. Cultivation and production is subject to inspection by the Chilean health authorities.

The effort has also been extended to the utilization of the leaves of the eucalyptus, which in the Rancagua area is cut for firewood. There is a good local demand for oil of eucalyptus.

In addition to the technical and administrative staffs, upwards of 500 agricultural labourers are employed in this enterprise, which was started about 1931. A public company now operates the concern, known as Drogas Botánicas, which has a capital of 25,000,000 pesos. Approximately 70 kilograms and 35 kilograms respectively of opium and morphine are produced.

## TARIFF CHANGES AND TRADE REGULATIONS

### Bermuda

#### ISSUE OF IMPORT LICENCES FOR DRY GOODS AND CLOTHING SUSPENDED

The War-Time Supplies Commission announced on November 26 that applications for the importation of dry goods and clothing from North America will not be accepted until further notice.

### Australia

#### IMPORT LICENSING REGULATIONS AMENDED

Mr. K. F. Noble, Acting Trade Commissioner at Sydney, writes under date October 11, 1943, that further amendments to the Australian Customs (Import



Licensing) Regulations have been announced by the Minister for Trade and Customs with effect from October 1, 1943. The current licensing period for goods of sterling origin will be of three months' duration.

Imports of cotton textiles and cotton yarns from British India, which formerly were exempt from licensing, have now been placed under Administrative Control. The quota of cotton piece-goods allocated for export from that country to Australia during the quarterly period ending December 31, 1943, is 7,500,000 square yards, and the quota for cotton yarn is 150 tons. Outstanding licences covering unshipped cotton blankets and mosquito netting from India have been withdrawn to conform with the cancellation of Indian export permits.

With each new licensing period, additional commodities from sterling countries are placed under Administrative Control. Those coming under such control as from October 1 include knitting-machine needles, adding and computing machines, replacement parts for weaving looms, covered wire and cable, telegraph and telephone insulated cable, bifurcated rivets, safety-razor blades, eyelets and eyelet hooks, various types of lamps, olive oil, cork sheets, natural sponges, industrial diamonds, and various seeds, nuts and chemicals.

Alarm clocks and time registers and detectors (other than watches, clocks and chronometers) of non-sterling origin have been placed under Administrative Control.

#### MAINTENANCE OF EXISTING AGENCY ARRANGEMENTS

Mr. K. F. Noble, Acting Trade Commissioner at Sydney, writes under date September 8, 1943, that a detailed program of Australian requirements of hand and precision tools from the United Kingdom has been submitted to the United Kingdom Controller of Hand Tools, who will in future allocate the items listed in the program to appropriate British manufacturers who are represented in Australia.

When details of the allocations are received, import licences, valid for a period of twelve months, may be issued to the Australian representatives of the nominated British firms to enable them to place consolidated firm orders for the total quantities allocated to their principals. Shipment will be made to regular trade distributors.

Under this procedure total firm orders placed by Australian representatives will balance against the total over-all program approved for supply by the United Kingdom Controller of Hand Tools, and sponsorship of individual orders will no longer be required.

A summary of the hand-tool items affected by this licensing instruction is as follows:—

Adzes, augers, awls, axes, bevels, bits, blades, braces, calipers, chisels, clippers, clamps, cleavers and choppers, combs, compasses, cutters, dies, drags, dressers, dividers, edges, expanders, extractors, forks, gauges, gimlets, gouges, groovers, hammers, hatchets, hoes, hooks, irons, knives, levels, lamps, lifters, mallets, planes, plumb bobs, punches, rules, saws and baldes, scrapers, scissors, sets, screwdrivers, scythes, secateurs, shears, snips, spokeshaves, squares, swages, tapes, trowels, and turnscrews.

Further details may be obtained by interested Canadian firms on application to the Department of Trade and Commerce, Ottawa (quote file no 34786). Applications for licences to import other hand tools from sterling countries will be handled as heretofore by the Division of Import Procurement.

## Uruguay

## TARIFF VALUATIONS INCREASED

Mr. J. A. Strong, Commercial Attaché at Buenos Aires, writes under date November 15, 1943, that the tariff valuations of all items in the Uruguayan tariff paying ad valorem duties or to which specific duties are assigned were increased by 30 per cent by a decree published in June of this year. This increase does not apply, however, to those goods mentioned in the United States-Uruguay Agreement for which duties are fixed or to the same goods originating in any country, such as Canada, which has an agreement with Uruguay containing the "most-favoured-nation" clause. Among these articles are: fresh apples, sardines in oil, canned salmon, pitch pine, Douglas fir, California pine, automobiles and a number of parts therefor, ploughs, tractors, windmills and batteries.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING DEC. 13, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, December 13, 1943, and for the week ending Monday, December 6, 1943, with the official rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Dec. 6	Nominal Quotations in Montreal Week ending Dec. 13	Official Bank Rate
Great Britain. . . . . Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. . . . . Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico . . . . . Peso	.4985	.2284	.2284	4
Jamaica . . . . . Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. . . . . Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2782	.2784	—
Brazil. . . . . Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana . . . . . Dollar	1.0138	.9313	.9313	—
Chile . . . . . Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. . . . . Peso	.9733	.6358	.6358	4
Venezuela . . . . . Bolivar	.1930	.3330	.3330	—
Uruguay. . . . . Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5883	.5881	—
South Africa. . . . . Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India . . . . . Rupee	.3650	.3359	.3359	3
Australia . . . . . Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. . . . . Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—



# COMMERCIAL INTELLIGENCE SERVICE

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**



# Commercial Intelligence Journal

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## IRISH POTTERY INDUSTRY

E. L. McCOLL, CANADIAN TRADE COMMISSIONER

### I. Belleek Pottery

Dublin, November 30, 1943.—Potteries are known to have been operated in Ireland at Limerick, Rostrevor, Waterford, and Wexford about the year 1770, but they apparently fell victims, like many other Irish industries of that period, to the competition of their British rivals, as the production of ceramics in this country gradually fell off and finally ceased by the beginning of the nineteenth century. However, the industry was revived a few decades later and has become an important factor in the country's economic life. Every type of earthenware is now produced, from the fire-place tiles of Carrigaline in County Cork to the delicate flower and basket work that have made the name of Belleek so well known throughout the world.

At present there are three potteries in Ireland that cater to the wide and varied demand for the products of this country, each producing goods of distinctive character. Of the three, the Belleek pottery is the only one with any historical background. Although it has always manufactured a certain proportion of the heavier ware, such as bowls and basins, and is now devoting a major portion of its productive capacity to meeting the wartime demand for utility ware, its reputation both at home and abroad is based on its output of finely wrought goods.

This was the only pottery in Ireland until in 1922, when the Belleek works came within the boundaries of Northern Ireland, with a factory in County Cork, the Carrigaline Pottery Company took advantage of the opportunity to develop an industry of the same type in Eire. "Carrig Ware" first came on the

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market in the form of the brown delft tea-pot, but the trade mark is now as well known as that of the gaily coloured pottery which is especially popular for the furnishing of country cottages, caravans, bungalows, etc., and of the drain pipes and fire-place tiles of many colours and sizes that are at present filling a national need that has resulted from the cessation of imports.

Although the Carrigaline foundation developed rapidly from its inception, there was obviously room in the industry for another production unit, and the Government therefore encouraged the establishment of the Arklow Pottery, the location of which, on the coast and near the capital, greatly simplifies the problems of supply and distribution. The policy of this factory is mass production to meet the everyday needs of the country, and it handles large contracts placed by the army, the railways, and government institutions. It is estimated that, when output is no longer limited by the restrictions of wartime trading, these three potteries will meet all local requirements and have a surplus for the development of an export trade that already shows considerable promise.

### BELLEEK POTTERY

The factory at Belleek, in County Fermanagh, has developed from a cottage industry begun by an enterprising clergyman in his parish about 1850. It has expanded steadily until its average annual output before the war had reached a value of approximately £24,000. The present company took over the management in 1922. Although the entire capital is held in Eire, the factory is situated in Northern Ireland.

### PRODUCTION

The Belleek factory is now largely restricted to the manufacture of earthenware goods of a utility type, but prior to the outbreak of war its principal product was fine Parian ware. This is a hard translucent china, closely resembling bone china and made by very few factories because of the difficulty of control in its manufacture. The products are fine tableware, dishes, vases, etc. Intricate work in the form of baskets, flowers (coloured in subtle shades) and other collectors' pieces is produced, a specialty being the delicate spider-web plate, which is much sought after by experts. The work on this product is comparatively easy up to the point of firing; the latter stage requires the exercise of great care and precision.

When firing porcelain, only some 80 per cent of the oven space has a temperature of the required intensity. The problem of utilizing the remainder, and so saving wasted heat, engaged the attention of the management, who solved it by undertaking the manufacture of earthenware. During the past three years wartime conditions have resulted in a number of difficulties affecting the production of china, and so this type of pottery, which was originally started as a side line, has come to represent the major proportion of the Belleek output.

### RAW MATERIALS

Approximately four tons of raw material are required to produce one ton of crockery. The principal ingredients are clay, feldspar, flint, flint glass, and carbonate of potash. The proportions in which these are mixed is the secret of each concern. The essential clay in two qualities—best china, which is white, and ball, which is brownish—is imported from Cornwall, whence nearly all that is required in these islands is obtained.

Norwegian feldspar, delivered ready calcined and ground by one of the British supply houses, was formerly used, as it is more free from impurities than the local product upon which the factory must now rely. The commonest objectionable element in feldspar is iron, which causes brown spots on the finished article of pottery.



Flint and flint glass are still obtained from the United Kingdom, but for a considerable time the demand for the war effort for carbonate of potash greatly restricted the supplies of this commodity for other purposes. As this chemical is indispensable to the manufacture of china, circumstances compelled the Belleek firm to make earthenware their major interest. However, the British Board of Trade has now given them an allocation of carbonate of potash that permits a return to the normal production of porcelain, and exports to Canada and the United States up to the limits of the current quota have been resumed.

#### PROCESS OF MANUFACTURE

The clay used is delivered from Great Britain ready calcined and ground, but it is subjected at the mill to an additional grinding when being mixed. Some of the Belleek ware is made by hand and some is cast. The china fuses at first firing. In some cases it is fired a second and a third time, but at a lower temperature, after colour, iridescence, and other decorations have been added. The more delicate articles, such as baskets, are occasionally distorted in baking, but they can be straightened by refiring with the aid of supports.

#### DISTRIBUTION

The finished products are sold direct to retailers at home and through agents abroad. Most European countries have high tariffs to protect their own pottery industries. Eighty per cent of the total Belleek output is exported to Canada, the United States, Australia, and South Africa, where there is less competition in this particular type of ceramics. The current demand from Canada and the United States exceeds the export quota. The productive capacity of the factory is now devoted almost entirely to utility ware, for which there is at present a heavy local demand.

#### PERSONNEL

In normal times about two hundred people were employed at Belleek, but the number now on the payroll does not exceed a hundred and thirty, of whom about 50 per cent are women. Wages throughout the factory are on a piecework basis. New personnel is recruited almost entirely from the families of workers, the craft being regarded as hereditary in the district, each man apprenticing a son or daughter to follow him into the industry.

#### POST-WAR DEVELOPMENT

The outbreak of hostilities occurred at an unfavourable time for the Belleek Pottery, which was undergoing a process of rebuilding and expansion. This work was arrested by a shortage of materials, and consequently the plant has remained in an unfinished state. Some new machinery more suitable for the manufacture of earthenware was, however, obtained. The cost of all raw materials has risen sharply since the beginning of the war, that of coal, an important commodity, showing an increase of 100 per cent. On the other hand, the prices of the finished products have advanced by not more than 50 per cent.

When the cessation of hostilities permits of the expansion now planned, the production of earthenware will no doubt be continued, but importance will attach to that finer porcelain for which the factory is noted and for which there is a good overseas demand. Attention will be given not only to pre-war markets but also to the exploiting of new ones.

## TRINIDAD IMPORT LICENSING REQUIREMENTS

G. A. NEWMAN, CANADIAN TRADE COMMISSIONER

Port of Spain, November 23, 1943.—Before an import licence can be issued to an importer in Trinidad, he must be able to give the Control Board some indication that there is a reasonable prospect of the goods being supplied without undue delay. Thus an offer from a Canadian firm would be sufficient to cover this requirement. It is not implied that the Canadian firm must give assurance that an export permit will be granted or that a specific sailing date be indicated, but it is implied that the Canadian firm should, as far as possible, indicate when they may be able to have the goods ready for shipment.

Once this indication is received, the importer will be issued an import permit, and the Canadian firm will be supplied with the required copy in order that they may apply for an export permit.

The Canadian firm should also indicate as soon as possible the weight and measurements of the goods concerned, when so requested by the importer, in order that the Control Board may include these data in its shipping program and make the necessary request for shipping space.

This latter requirement, however, has no bearing on the issue of import licences and does not have to be fulfilled for that purpose. It is merely to facilitate the movement of the goods, and, therefore, is an offer of assistance that each exporter should be glad to take advantage of.

## AUSTRALIAN FOOD PRODUCTION PROGRAM

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, writes under date October 8, 1943, that to enable the recently established food control organization to arrange for plantings of vegetables for the coming 1943-44 season, the Australian Minister for Commerce and Agriculture prepared a questionnaire form which was distributed to 60,000 farmers throughout the Commonwealth. This questionnaire was part of a survey to determine Australia's capacity to produce vegetables and to indicate the extent to which the proposals to increase greatly the vegetable production of the Commonwealth could be implemented.

Besides stressing the necessity for sending the questionnaire to all growers, the Minister set forth the estimated results from the campaign to increase vegetable production in the 1942-43 season as well as the production totals which the Government desired to obtain in the 1943-44 season.

## TRANSPORT AND COMMUNICATION IN AUSTRALIA

K. F. NOBLE, ACTING TRADE COMMISSIONER

(£A1 equals \$3.5760 Canadian)

Sydney, November 1, 1943.—The Commonwealth Statistician has released figures covering government-operated transport and communication services during the fiscal year ending June 30, 1942, which are the basis of the following summary statement.

### RAILWAYS

Railway trackage in Australia totals 32,854 miles, of which all but 2,324 miles are operated by the six state governments. Three gauges are extensively used in Australia, and two narrow-gauge tracks, of 2 feet 6 inches and 2 feet respectively, are in use for short services only. Thus there are 7,964 miles of 5-foot 3-inch track and 9,533 miles of standard gauge (4 feet 8½ inches).



Inclusive of double tracking, the total route mileage covered by all services in 1941-42 amounted to 27,221. Train miles run during the year increased to 88,464,688 from 80,091,736 in the previous year.

Paid passenger journeys amounted to 475,449,832 as against 414,422,012 in 1940-41 and 379,330,133 in 1939-40. Freight tonnages increased to 38,939,783 from 36,767,077 in 1940-41 and 32,690,832 in 1939-40.

Gross revenue from the operation of state railways has increased in nine of the past ten years, during which the turnover receipts have increased from £37,579,965 to £66,481,738. For purposes of comparison, revenues in 1941 amounted to £52,325,223 and in 1940 to £46,588,136. Of the total revenue during 1941-42, £64,286,434 was earned by state railways and was made up from coaching, £23,310,893; goods transportation, £35,429,522; and miscellaneous revenue, £5,546,019.

Total working expenses for the Commonwealth, including maintenance, rolling stock, handling of transportation and traffic and other charges, amounted to £51,043,094, of which £49,536,295 represented expenses of state railways.

Total working expenses per average route mile worked advanced to £1,875 from £1,480 in 1940-41 and £1,336 in 1939-40. Based on working expenses per train mile, the figures for the same three years were respectively £138 9s., £120 16s. and £115 4s. Although working expenses have increased, the gross revenue has been higher, and the ratio of working expenses to gross revenue has declined to 76.78 per cent from 77.04 per cent in 1940-41, 78.06 in 1939-40, and 80.30 per cent in 1938-39.

Total net earnings of all Australian railways amounted to £15,438,644, of which £14,750,139 was from operations of the six state railways. Net earnings as percentage of capital cost of construction and equipment were 4.82 per cent (3.93 per cent in 1940-41) throughout the state railway networks as against 3.95 per cent (0.39 per cent in 1940-41) on Commonwealth lines. These last two percentages represent the first surpluses reported on Commonwealth lines in the period since 1932.

### ROLLING STOCK

In 1941-42 Australian rolling stock comprised 3,402 locomotives, of which 777 were for 5-foot 3-inch gauge, 1,225 for 4-foot 8½-inch gauge, and 15 for 2-foot 6-inch gauge. Coaching stock totalling 8,155 units was divided among the above gauges (as well as other stock totalling 87,078), of which 2,855 were for 5-foot 3-inch gauge, 2,919 for 4-foot 8½-inch gauge, and 2,326 for 3-foot 6-inch gauge. The other stock was distributed among the three gauges in the numbers of 23,961, 25,322 and 37,346 respectively.

### TRAMWAYS

Tram mileage throughout Australia has been affected by wartime restrictions and, with the exception of government lines in north-western Australia totalling some 9 miles in length, all non-electric tramways have ceased operations. Electric route-mileage, however, in 1941-42 totalled 570.68 miles, of which some 466 miles were of standard gauge.

Classified by controlling authority, 380 miles were government owned and operated, 182 miles were municipally owned, and only 9 miles were under private direction. Equipment comprised 3,473 cars, motors and trailers, with a seating capacity of 208,387. New South Wales, with 1,587 units and a seating capacity of 111,090, controls almost 50 per cent of such equipment, followed by Victoria with 803 units, Queensland with 394, South Australia with 390, Western Australia with 201, and Tasmania with 98.

The capital cost of electric tramways totalled £26,431,215. Gross revenue was £9,452,607, with gross working expenses of £7,015,014, giving a ratio of

expenses to revenue of 74·21 per cent, the most favourable rate since 1936-37. Percentages by states varied from 57·55 for Victoria to 87·84 for New South Wales.

### MOTOR VEHICLES

Motor vehicle registrations (excluding defence service vehicles) totalled 750,833 units, which was the lowest figure since 1936 and a considerable reduction from the 899,533 units registered in 1938-39 and the 895,023 units in 1939-40. The decrease during the twelve months amounts to 120,000 vehicles.

Comprising the total are 450,851 motor cars (538,483 for 1940-41), 250,515 commercial vehicles (262,141), and 49,467 motor cycles (70,918). New registrations for the year totalled 10,116 comprising 4,005 motor cars, 5,188 commercial vehicles and 923 motor cycles. New registrations have been affected by the supply position and the shortage of petrol, as figures for the last pre-war year reached a total of 86,404, comprising 54,107 motor cars, 24,927 commercial vehicles, and 8,323 motor cycles.

### CIVIL AVIATION

As might be expected, the statistical summary emphasizes the incidence of war restriction, there being 119 registered aircraft owners and 192 registered aircraft. Licensed private pilots totalled 239 as against 1,225 listed in 1939-40, while commercial pilots fell in number from 346 in 1938-39 to 181 in 1941-42. Government aerodromes numbered 72 and government emergency grounds 116, while public aerodromes totalled 207.

During the year's operations, 149,791 paying and 5,422 non-paying passengers were carried, while freight carried amounted to 2,588,000 pounds and mails to 879,000 pounds. The volume of freight has increased in each of the last six years for which statistics are available.

Contract and other regular services during the year under review totalled 24,925 miles, while the mileage flown amounted to 7,830,000. Paying passengers within Australia totalled 151,808. On contract services 1,160 tons were carried 842,000 ton miles, while 517 tons of mail were moved 416,000 ton miles.

### POSTS, TELEGRAPHS, WIRELESS AND TELEPHONES

Wireless, telephones and telegraphs are grouped for purposes of administration under the Postmaster-General's Department. Gross revenue was £22,462,684 as compared with £19,496,213 in 1940-41, made up of postal revenues, £9,338,242; telegraphs, £2,209,287; radio, £682,133; and telephones, £10,233,022.

In all the revenue-producing sections under the Postmaster-General there was a considerable increase in income and net revenues, which in the aggregate make up a substantial addition to the budget of the Australian Government.

Total working expenses of the Department amounted to £15,034,830 as compared with £13,521,903 in 1940-41, giving a net revenue of £7,427,854 (£5,974,310). The profit shown by the combined post office services amounted to £5,518,793 (£4,067,746 in 1940-41).

### TELEGRAPH STATIONS

During the year 9,479 telegraph stations despatched 23,662,121 telegrams to internal points and 1,328,732 foreign messages.

### TELEPHONES

The total number of instruments in service amounted to 738,666 (720,321 in 1940-41), served by 6,383 exchanges. On June 30, 1942, there were 717,342 subscribers' instruments, 12,091 public telephones, and 9,233 other units.



In the year ending June 30, 1940, which is the latest period for which information is available, 53.48 per cent of all telephones in Australia were automatic, 5.76 per cent were operated by common battery, and 40.76 per cent by magneto.

#### WIRELESS

The number of broadcast listeners' licences issued during 1941-42 totalled 1,320,073 (1,293,266 in 1940-41). National broadcasting services and B-class stations catering to these listeners numbered 29 and 98 respectively. The national and commercial coverages in Australia now fully occupy the wave-bands allocated to Australia, and the numbers have remained almost constant for several years.

Revenues accruing from listeners' and other licences, including those of ships, aircraft, land stations, etc., amounted to £1,314,918 (£1,302,355 in 1940-41).

### SOUTHERN RHODESIAN WHEAT PRODUCTION IN 1942

H. L. BROWN, CANADIAN TRADE COMMISSIONER

Johannesburg, November 8, 1943.—Southern Rhodesia normally imports from 200,000 to 400,000 bushels of wheat annually to supplement local production, which has averaged about 148,000 bushels a year since 1938. Owing to rust attacks, wheat cannot be grown successfully in the months of summer rainfall, but it is the most important winter crop of the Colony.

#### 1942 CROP

In 1942 a total of 427 growers obtained an aggregate yield of 38,484 bags (128,280 bushels) from a total area of 17,057 acres, the yield per acre being, therefore, about  $7\frac{1}{2}$  bushels. The season was similar to that of the previous year. The rains ceased too early, resulting in a deficiency of moisture in non-irrigated lands, which comprised in 1942 about 72 per cent of the total area under wheat. Conditions were more favourable for irrigated wheat, which made up over 56 per cent of total production, although grown on only 28 per cent of the total area.

#### PRELIMINARY ESTIMATE OF 1943 CROP

The total area under wheat in 1943 has been officially estimated at 18,777 acres, an increase of about 10 per cent over the figure for 1942. The season has been the most promising for some years, as adequate late rains have ensured moisture in non-irrigated areas and a plentiful supply of water is reported for irrigation purposes. It is therefore expected that the crop may approximate 60,000 bags (about 200,000 bushels), or some 35 per cent over the average for the past five years.

### AGRICULTURAL NOTES FROM ARGENTINA

W. B. McCULLOUGH, ASSISTANT COMMERCIAL ATTACHÉ

#### Agricultural Rents Reduced

Buenos Aires, November 29, 1943.—A decree issued on November 15 has established a compulsory reduction of 20 per cent in existing agricultural rents, irrespective of whether such rent is paid in cash, in kind, or partly in each. This provision applies to all types of agricultural production and will remain in force until December 31, 1945. The percentage reduction established by the decree will be applied on the basis of rents ruling on July 1, 1940.

Any clause in any farm-rent contract, whatever its judicial nature, which prohibits or limits live-stock or grain production up to 40 per cent of the area of the land, and also any clause that restricts the working of the land in the case of such production, is declared null and void.

The official Bank of the Nation will not consider any application for farm or colonization credit facilities, nor will the Executive Power grant the benefit of guaranteed minimum prices to land-owners, tenants sub-letting, nor to tenant farmers who have not complied with the provisions of the present decree.

In the preamble to the decree it is pointed out that the state of emergency which the war has produced in Argentine agricultural production has necessitated measures to ensure an equitable readjustment of farm rents. Such a measure, it is said, could be considered complementary to the establishment of fixed basic prices, since these contemplate a margin of profit adequate for agricultural produce with prices near those ruling in normal times. In the case of some commodities the cost of production has increased considerably. The cost of rents influence proportionally the cost of production, and increased rent contributes towards making the agricultural crisis more serious in the face of a lack of export markets resulting from the war.

### **Fixed Wages for Farm Labour**

An Argentine executive decree issued on November 20 fixed the wages for farm labour and working conditions in the cereal zone for 1943-44. This decree establishes farm wages generally higher than those formerly paid; working conditions, food and regulations regarding accidents are also covered by its provisions.

### **Potato Shortage**

There was a shortage of table potatoes in Argentina between seasons this year. Since the last week of October, supplies have dwindled, and the old crop is practically exhausted. The limited quantities arriving at the National Potato Market in the last three weeks have been from the Northern early zone—Salta, Jujuy and Tucuman. During the past three years this zone supplied from 65 to 70 per cent of the potatoes consumed in Buenos Aires during November.

The early crop in the Northern zone was materially reduced this year by frost damage and the lack of rain. The crop in Southern Tucuman was down by about 50 per cent, and was about fifteen days later than normal. The shortage of rail cars has also accounted for the reduced arrivals from the Northern zone.

During the month of October, arrivals at the National Potato Market were 197,485 sacks as compared with 393,229 sacks for October last year. From January 2 to the end of October, 1943, total arrivals were 3,506,520 sacks as against 4,026,965 sacks for the corresponding period of 1942. According to these figures, there were 520,445 sacks, or about 1.15 million bushels, less of table potatoes for Buenos Aires this year. Average daily arrivals for November up to the 20th were 5,026 sacks, or 39.4 per cent of average daily requirements. The supply situation is expected to improve shortly, as the new crop from the Rosario zone comes on the market and more rail cars become available for moving the Tucuman crop. Hospitals and public institutions have priorities on present supplies. Many restaurants and hotels have not served potatoes for over three weeks.

The wholesale price (10.50 pesos per 60-kilo sack) that was fixed on September 22, has remained in effect as well as the fixed consumers' price of 20 centavos per kilo. These fixed prices apply only to the city of Buenos Aires.

### **Underground Silos for Wheat**

The Argentine Department of Agriculture announced that a decree on October 25 authorized the Grain Regulating Board to spend up to 6,475,000



pesos for the construction of underground silos. It is estimated that the expenditure will provide storage for about 36.7 million bushels of the wheat purchased by the Grain Regulating Board. In addition to this amount, the Board is authorized to spend 5,120,000 pesos (3.60 pesos equal \$1 Canadian) for transportation, loading and unloading operations and for losses incurred in storing the grain in the proposed silos.

The acute shortage of bags and the lack of storage space have resulted in the Government's taking measures to provide suitable storage for a portion of the next harvest. The official tests have shown that it is advisable to give preference to underground silos having a cement floor, not only to preserve the grain but also because of the possibility of their being put to permanent use, so amortizing the original cost over a period of years. According to the preliminary estimate of the 1943-44 grain crops issued by the Department of Agriculture on November 17, the current wheat crop will be 312,290,000 bushels as compared with 235,136,000 bushels last year, an increase of 32.8 per cent. The five-year average 1938-39 to 1942-43 was 253,701,898 bushels.

### **Basic Price for Peanuts of the 1943-44 Crop**

An executive decree issued on October 30 fixed the basic price for peanuts in 1943-44 at 30 pesos per metric ton, basis rail car Buenos Aires. As in case of sunflower seed, the United States, on behalf of the United Nations, has agreed to take the export surplus of these products from the 1943-44 crop.

### **Loans to Farmers**

The Board of Directors of the Bank of the Nation has authorized the granting of loans for the harvesting of the forthcoming wheat, flaxseed, barley, oat and rye crops. From harvesting to stacking, loans up to 3,000 pesos per firm are authorized at the rate of 6 to 7 pesos per hectare in proportion to the estimated yield. For threshing and bagging, loans will be granted up to 7,000 pesos per firm at the rate of 1.80 pesos maximum per 100 kilos estimated yield but not exceeding 18 pesos per hectare. The interest rate for all loans is 5 per cent.

### **Wheat for Relief**

An executive decree originating in the Department of Agriculture authorized the Grain Regulating Board to place at the disposal of provincial governments 100,000 metric tons of 1942-43 wheat, to be distributed to the poor. This cereal will be distributed free of charge to provincial authorities, including the city of Buenos Aires.

### **Stocks of Edible Oils Must be Declared**

All stocks of edible oils, such as olive, sunflower, peanut, cotton, turnip, grape, over 1,000 kilos, whether tinned, bottled or otherwise, or over 5,000 kilos of oil seeds, must be declared to the subdivision of supply. The declarations refer to stocks on hand as of November 15.

### **Exports of Corn Permitted**

An executive decree of October 23 authorized the export of corn, corn meal, crushed corn and corn oil. The export of these commodities was prohibited by decree of August 6, although this decree was later modified to allow contracts to be filled that were made prior to that date. Substitution by consumers of cheap wheat for corn as fodder and the improved prospects for the 1943-44 corn crop are the principal reasons for lifting the export ban. The exportable surplus of corn on October 30, as estimated by the Department of Agriculture, was 143,791 metric tons.

## OILSEED CULTIVATION IN CHILE

M. J. VECHSLER, CANADIAN COMMERCIAL ATTACHÉ

(One hectare=2,471 acres; one metric ton=2,204.6 lbs.)

Santiago, November 30, 1943.—A plan to increase the production of oilseeds in Chile was formulated in 1939 and following its approval, a committee was named to implement it in conjunction with the Corporacion de Fomento de la Produccion (Corporation for the Development of Production). The following figures of acreages sown and seed harvested are indicative of the results so far achieved:—

	Areas Sown		Seed Harvested	
	1939	1943	1939	1943
	Hectares		Metric Tons	
Sunflower seed . . . . .	1,200	8,000	1,700	13,000
Hemp seed . . . . .	8,000	19,000	4,000	6,000

In addition to the foregoing, 1,000 tons of "yuyo" seed (a type of vegetable herb) have been harvested in 1943; this is double the 1939 crop. The volume of edible oils extracted from all these seeds amounted to approximately 4,000 tons.

The Committee for the Development of Oilseeds, by fixing prices in advance, has been able to arrange an agreement with the oil-extracting firms whereby the latter undertake to purchase the entire harvest at prices considered to be remunerative to the growers.

A type of sunflower seed has been developed that is reported to yield 30 per cent of oil, whereas foreign seed has yielded from 24 to 26 per cent. So far as ground-nut plantings are concerned, a selection of seed known as "mani precoz" has been made, which is expected to give good agricultural and industrial results. The Committee intends to sow considerably more of this seed during the current year, in order to be in a position to supply suitable seed to national producers.

## TRADING WITH THE ENEMY

### CANADIAN LIST OF SPECIFIED PERSONS

Inquiries received from time to time by the Department of Trade and Commerce indicate that Canadian exporters still do not understand clearly the composition and object of the Canadian List of Specified Persons established under the authority of the Consolidated Regulations Respecting Trading with the Enemy (1939).

The List of Specified Persons is a published list of firms and persons in neutral countries with whom intercourse or transactions of a commercial, financial, or any other nature without official permission constitutes the offence of trading with the enemy.

The List forms an integral part of the machinery designed to prevent enemy countries from obtaining any economic or financial assistance from British Empire or neutral countries. It consists principally of concerns controlled directly or indirectly from enemy territory (including enemy-occupied territory and certain other territories proscribed under the Trading with the Enemy Regulations), and of firms or individuals who have persistently evaded, or tried to evade, the contraband or enemy export controls. Persons controlled from enemy territory are enemies within the meaning of the Trading with the Enemy Regulations, whether or not they are included in the List of Specified Persons.



Additions to the List are made only after careful investigation in order that unnecessary damage to neutral or British Empire interests may be prevented. The Custodian of Enemy Property, Department of the Secretary of State, Ottawa, is always willing to consider representations from importers and exporters and other interested parties and to reply to inquiries on questions, such as the completion of unfinished transactions with persons placed on the List of Specified Persons. The Office of the Custodian is also prepared to advise, in cases where doubt is felt as to the legality or desirability, from the point of view of trading with the enemy, of dealings with persons not on the List of Specified Persons.

Enemy subjects who are not in enemy territory are not necessarily enemies within the meaning of the Trading with the Enemy Regulations, and it is not intended to specify persons in neutral countries as enemies merely because they are enemy subjects. Many subjects of enemy countries carry on business in neutral countries without assisting these countries, and in some cases are of assistance in the promotion of Canadian trade.

Nevertheless, enemy subjects, wherever they may be carrying on business, should be regarded with suspicion, and Canadian traders who employ enemy subjects as agents in neutral countries would be well advised to consider displacing them either by British agents or by nationals of the country concerned. Firms who experience difficulty in obtaining suitable alternative agents should consult the Department of Trade and Commerce, Ottawa, or the appropriate Canadian Government Trade Commissioners.

Copies of the Consolidated List of Specified Persons are obtainable from the Distribution Branch, Government Printing Bureau, Ottawa. The price is 25 cents each for single copies, with a reduction for purchases of 100 copies or more. The list contains the names of more than 9,000 persons, principally in Europe, Latin America, Japan and China. It is subject to revision from time to time, and additions, amendments and deletions which are found necessary are published in the *Canada Gazette*. Canadian firms that have extensive dealings with persons in neutral countries are strongly advised to obtain copies of the consolidated list and at the same time to arrange to receive revisions as published.

## CONTROL OF EXPORTS FROM CANADA

### REGULATIONS AMENDED

By Export Permit Branch Order No. 83, effective December 15, 1943, Regulation 41 of the Export Permit Regulations is amended to read as follows:—

41. Shipments to the following countries require Imperial Export Licence Numbers (Blockade Numbers) when shipped out of United States ports:—

Andorra	Spain (including the Canary Islands
Ireland (Irish Free State)	and the Spanish Zone of Mor-
Liechtenstein	occo)
Portugal (including Madeira, the	Sweden
Azores and the Cape Verde	Switzerland
Islands)	Tangier Zone
Portuguese Guinea	Turkey (including the Hatay)
Rio de Oro	Vatican City

The Export Permit Branch obtains these Blockade Numbers from London by cable on receipt of the usual application for a Canadian export permit. Permits and Blockade Numbers issued for shipments to the above countries will be valid for the whole or part of one of the calendar quarters January to March, April to June, July to September, or October to December.

The applicant for a permit must state for which calendar quarter the permit is required. Blockade Numbers and permits will not be granted earlier than one month before the commencement of the quarter for which they are valid—that is, Blockade Numbers and permits for the first quarter will be granted only after December 1, for the second quarter after March 1, and so on. Ten days' grace is granted at the beginning and end of the period to allow for changes in shipping schedules.

Instead of the usual two copies, three copies of the export permit bearing the I.E.L. Number (Blockade Number) will be sent to the exporter by the Export Permit Branch. As soon as the United States port of lading is known, the exporter will forward the original (white) copy of the permit to the Collector of Customs at the United States port of lading, retaining the second copy for his own files and attaching the extra (goldenrod) copy firmly to the way-bill. Canadian Collectors of Customs will not take up the goldenrod copy of the export permit, but will leave it attached to the way-bill to proceed with the shipment to the United States port of lading.

If any exporter is unable to ship during the period of validity of the permit, he should notify the Export Permit Branch, which will advise him of any further action to be taken.

By Export Permit Branch Order No. 84, effective January 1, 1944, the exemption from the requirement of an export permit for shipment to any part of the British Empire for the following commodities is cancelled, so that they now require a permit before being shipped from Canada to any destination: waste paper, except newsprint side-runs and mutilations; paper other than waste, paper boards, fibre boards, paper and board manufactures; pulp boards, all kinds.

*Note.*—These items are listed on page 25 of the Export Permit Regulations (Sixth Revision) of September 1, 1943. The above changes do not in any way affect exemptions for newsprint and wood-pulps, which remain as given on page 25.

By Export Permit Branch Order No. 85, effective December 18, 1943, Regulation 6 of the Export Permit Regulations is amended by the deletion of "tea" from the commodities listed therein to read as follows:

6. Notwithstanding Regulation 5, export permits shall not be required for shipments of \$5 or less in value, except for the following commodities or as otherwise provided: rubber and rubber products; sugar and glucose (see Regulation 30).

## TARIFF CHANGES AND TRADE REGULATIONS

### British Guiana

#### LICENCES FOR TOILET PREPARATIONS

The British Guiana Controller of Supplies notified importers on December 2, 1943, that consideration will be given applications, based on their actual imports in 1939, to import perfumes, Eau de Cologne, brilliantine, lipstick and rouge from all sources except the United Kingdom.

### Belgian Congo

#### IMPORT PROHIBITIONS

Mr. H. L. Brown, Canadian Trade Commissioner at Johannesburg, writes that a notice issued on September 11, 1943, by the Belgian Congo Exchange



and Import Control authorities prohibits the importation into the Belgian Congo and Ruanda-Urundi of certain products, including the following: confectionery, sugar, soups, preserved lobsters, fish pastes, beer and certain other alcoholic beverages (except gin, whiskey, rum and brandy), silverware of all kinds (except table services as decided in each case by the Exchange Commission), watches (except under previous authorization), toys priced at over 150 francs each, cigarette cases and smoker's accessories (except lighters and parts). The import prohibition does not apply with respect to licences which were valid and still in force on the date of the issue of this order.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING DEC. 20, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, December 20, 1943, and for the week ending Monday, December 13, 1943, with the official rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Dec. 13	Nominal Quotations in Montreal Week ending Dec. 20	Official Bank Rate
Great Britain. . . . . Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. . . . . Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico . . . . . Peso	.4985	.2284	.2284	4
Jamaica . . . . . Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. . . . . Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2784	.2784	—
Brazil. . . . . Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana . . . . . Dollar	1.0138	.9313	.9313	—
Chile . . . . . Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. . . . . Peso	.9733	.6358	.6358	4
Venezuela . . . . . Bolivar	.1930	.3330	.3330	—
Uruguay. . . . . Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5881	.5881	—
South Africa. . . . . Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India . . . . . Rupee	.3650	.3359	.3359	3
Australia . . . . . Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. . . . . Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

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**Annual Report of the Board of Grain Commissioners.**—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

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# I N D E X

TO THE

## COMMERCIAL INTELLIGENCE JOURNAL

FOR THE

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